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ABSTRACT

Designed to initiate discussion of foreign policy decisions, this book contains an analysis of eight foreign policy issues confronting the United States in 1986. Each unit provides the background and guidelines to provide perspective to assist in understanding foreign policy crises. The units included in this issue are: (1) "How Foreign Policy Is Made: The Case of Central America"; (2) "'Star Wars' and the Geneva Talks: What Future for Arms Control?" (3) "Democracy in Latin America: Focus on Argentina and Brazil"; (4) "International Terrorism: In Search of a Response;" (5) "European Community and the U.S.: Friction Among Friends"; (6) "Third World Development: Old Problems, New Strategies?" (7) "Israel and the U.S.: Frienship and Discord"; and (8) "Religion in World Politics: Why the Resurgence?" Each section includes a reading list. Ballots for use in voting on issues addressed in discussion groups are also appended. (NL)

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Foreign Policy Association

GREAT DECISIONS '86

1. How Foreign Policy Is Made
   The Case of Central America
2. "Star Wars" and the Geneva Talks
   [illegible]
3. Democracy in Latin America
   [illegible]
4. International Terrorism
   In Search of a Response
5. European Community and the U.S.
   Friction Among Friends
6. Third World Development
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7. Israel & the U.S.
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8. Religion in International Politics
   Why the Resurgence [illegible]

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Impartial background and analysis of eight of the most important foreign policy issues facing the nation

SO 021 049

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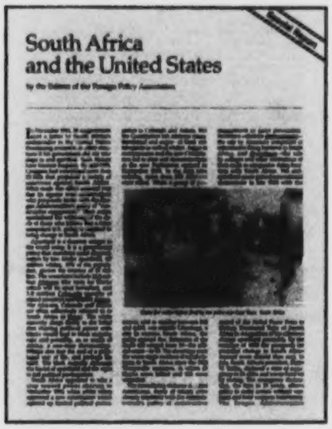

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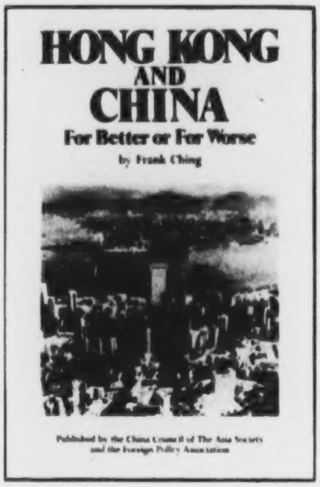

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In February and March 1986

- **THE CHRISTIAN SCIENCE MONITOR** is offering readers a series of eight articles on the GREAT DECISIONS '86 topics written by *Monitor* correspondents. Look for the first article on Thursday, January 30th. The other seven articles will appear on consecutive Thursdays. Special discount offer: GREAT DECISIONS participants are invited to take a 13-week subscription which will include the eight articles at the special price of $15.00. Subscription orders should be mailed to: *The Christian Science Monitor*, P.O. Box 125, Astor Station, Boston, MA 02123, or call, toll-free, 1-800-225-7090. In Alaska call collect: 617-262-2300.

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INTRODUCTION

Drawing by Ed Fisher; © 1985 The New Yorker Magazine, Inc.

"Maybe I've been in satellite-reconnaissance too long, Macpherson. One global trouble spot is beginning to look like every other global trouble spot to me."

With so many global trouble spots commanding attention, how were this year's topics chosen? This is one of the three most frequently asked questions concerning Great Decisions. The others are: Who writes the book? Is it balanced and objective?

Before answering those questions, a bit of Great Decisions history is in order. The Foreign Policy Association, the oldest nonpartisan organization devoted to citizen education in world affairs, joined forces with educators in Oregon 32 years ago to launch the Great Decisions community discussion program. Since then Great Decisions has grown into a nationwide program with over 250,000 participants. It has been endorsed by every President, Republican and Democratic, since Dwight D. Eisenhower and by their secretaries of state, which says something about its impartiality. On the occasion of Great Decisions' 30th anniversary, Secretary of State George P. Shultz wrote: "Nothing is more essential to a vibrant, healthy democracy than the free exchange of ideas and a well-informed, involved citizenry. Thus I am especially honored to join with my predecessors in paying tribute to the contributions of the Great Decisions program of the Foreign Policy Association, which. . .has helped shape our national dialogue on international issues."

Living up to such a reputation puts a heavy burden on the editors. How do they decide which eight issues will contribute most to the continuing national dialogue? And what assurance do you, the reader, have that the background and analyses the editors prepare are accurate, impartial and balanced?

Dusting off the crystal ball

In early January, a year before publication date, FPA's editors meet and discuss possible topics. The guidelines they follow are fairly broad. The list of topics should include issues that are likely to dominate the foreign policy agenda a year hence. There should be a mix of geographic as well as functional (for example, religion or terrorism) topics. There should be at least one major economic issue. If possible, the list should not repeat topics featured in recent issues of Great Decisions, but repetition is not always avoidable. The continuing urgency of problems in the Middle East, Central America and U.S.-Soviet relations is a case in point. For these issues the editors try to come up with a fresh approach or a new perspective.

The preliminary list that emerges from the editors' brainstorming invariably includes topics that were considered in previous years but did not make the "Top Eight"—or had to be dropped to make room for a last minute substitution. (This year, after the TWA hijacking, Pakistan was bumped by International Terrorism.) The preliminary list of a dozen or more topics is then circulated to the Editorial Advisory Committee, chaired by Professor Stanley Hoffmann; to state and local coordinators—the volunteers who organize the Great Decisions discussion programs; to FPA's Board of Governors and staff; and to consultants and friends of Great Decisions. They are asked for their comments, preferences and additional suggestions. Their recommendations determine the final choice of topics.

Meet the editors

The Great Decisions book is written in-house by three members of FPA's editorial staff. These three skilled writers are generalists with a variety of interests and skills, including fluency in Persian, French and Spanish. Susan Breen, a graduate of the University of Rochester and Columbia University, where she concentrated on Soviet studies, worked at FPA as an intern and returned to the staff after four years at *Fortune* magazine. Lawrence Potter holds a master's degree in Middle East Studies from the University of London and a master of philosophy in history from Columbia University. He taught in the Middle East and came to FPA from the Congressional Research Service. Nancy King, a graduate of Cornell University with a master's degree in international affairs from Columbia University, where she specialized in defense and West European studies, previously wrote feature stories for *The Ithaca Times*.

Balancing act

A critical part of the GREAT DECISIONS production cycle is the review process to ensure impartiality and accuracy. Each draft manuscript is read by a minimum of four outside readers, including at least two experts with opposing views and a member of FPA's Board with special expertise on the subject. Among our reviewers in past years have been former secretaries of state and defense, diplomats, scholars, leaders in business, industry, finance and labor, teachers and other professionals. This year's review panel included three GREAT DECISIONS coordinators. A copy of the draft manuscript is also sent to the Department of State for review by the appropriate desk officer. We do not expect the State Department to agree with our policy options but we welcome its readers' comments on the accuracy of the facts and presentation of Administration policy.

The manuscript is then revised by the writers before going into the final stage of the editorial cycle, a review by the copy editors, who check for factual errors, clarity of language and style consistency, and mark up the manuscript for typesetting.

We hope this answers your questions. We now invite you to turn to the first GREAT DECISIONS '86 topic, "How Foreign Policy Is Made: The Case of Central America." When you have read and discussed it, please fill out the opinion ballot at the back of the book and mail it to FPA. The opinion ballots were prepared with the help of a public opinion expert, Esther Fleishman, vice-president of Louis Harris and Associates.

FPA's editorial staff: (back row, left to right), Ann Monjo, Larry Potter and K.M. Rohan; (middle row), Susan Breen, Nancy King and Laura Schisgall; (front row), Nancy Hoepli.

Why bother to mail the ballot? Does your opinion really count? Is anybody listening? For the answer to those questions, please turn to page 87.

Nancy L. Hoepli,
Editor

How to Use the Opinion Ballot

If you are in a discussion group or classroom, your discussion leader or teacher may collect the ballots at the end of each session and mail them to the address below. If you are using GREAT DECISIONS '86 on your own, mail all eight in the special envelope accompanying this book to **GREAT DECISIONS '86 BALLOTS,** Foreign Policy Association, 205 Lexington Avenue, New York, N.Y. 10016. Please mail your ballots before **May 31** so they can be included in the national tabulation.

1 How Foreign Policy Is Made

THE CASE OF CENTRAL AMERICA

SENATOR Richard G. Lugar (R-Ind.), newly elected chairman of the Senate Foreign Relations Committee, convened hearings early in 1985 to analyze the state of American foreign policy.

On the first day, the committee was addressed by two prominent members of the executive branch: Secretary of State George P. Shultz and Secretary of Defense Caspar W. Weinberger. On succeeding days, other well-known policymakers from Administrations past and present spoke, among them former secretaries of state Alexander M. Haig Jr., Cyrus R. Vance and Dean Rusk.

As the parade of executive-branch members filed through the committee chamber, it soon became apparent that, though on center stage, they were not the only ones making foreign policy. In the three-ring circus that is the U.S. foreign-policymaking process, other actors were playing out their own parts in separate but equally important arenas.

President Reagan meets with advisers (l. to r.) Secretary of Defense Caspar Weinberger, Vice President George Bush, Secretary of State George Shultz, CIA Director William Casey and Chief of Staff Donald Regan.

For example, although the hearings were ostensibly an opportunity for Congress to hear the views of the executive branch, they also provided a forum for the members of the committee to address and publicize their own priorities. Senator Jesse Helms (R-N.C.) pressed Shultz for a stronger commitment to fight communism. Senator Christopher Dodd (D-Conn.) prodded the witnesses to pay more attention to human rights.

The press was also in attendance. Young, dressed in jeans, its television cameras, lights and wires occupying a good portion of the small room, the news media was a very visible presence. In interpreting what was said, the press showed that it too had its priorities. For example, Shultz spoke for more than an hour on all aspects of current foreign policy. Newspaper reports the next day focused almost entirely on what he had said about the Strategic Defense Initiative, which had actually taken up only a small part of his speech. By determining what is newsworthy, the press sets the agenda for public discussion.

And then there was the public. Some 80 people attended the first day of hearings, among them lobbyists, academics and high school students. Admission was free, the only requirement being a willingness to wait in line for two hours to get a seat. A far greater number participated by watching bits of the hearings on the news.

The public was confined to a passive role at the hearings since only senators could ask questions. But through elections, polls, letters to the editor and letters to their representatives, the public has its say in foreign policy.

Who's in charge?

Foreign policy, by one definition, is "defense of national interests," and the U.S. foreign-policymaking process gives all the groups mentioned above—the executive branch, Congress, the media, lobbyists and the public—a chance to define those interests and rank them.

With so many actors, it is not surprising that the U.S. rarely speaks with one voice on foreign policy. The resulting cacophony can leave observers uncertain as to what U.S. policy is and how it is made. Most Americans would probably sympathize with the lament of one Chinese leader, who, after a run-in with the process, said to Haig, "Who makes American foreign policy? Why are there always such surprises?"

The process is less surprising if you bear in mind that its emphasis is on democracy, as opposed to consistency or coherence. The Constitution has built fragmentation into the system to ensure that no branch could be so strong that it could dictate policy. "The purpose was not to avoid friction but. . .to save the people from autocracy," Supreme Court Justice Louis Brandeis wrote in 1926.

Is the system too fragmented? Does it meet the needs of a superpower existing in a nuclear age or is it, as the title of a new book asserts, "our own worst enemy"? Such questions have become more frequent as Americans consider the trend toward isolationism that has marked U.S. foreign policy since the end of the Vietnam war. In particular, analysts are trying to assess the effects of changes in the system that took place during the 1970s.

One change is that Congress plays a more active role in making foreign policy. The days are gone when a president could count on bipartisan, or even partisan, support of a foreign policy initiative. Is Congress too strong? Is it possible to have a coherent foreign policy if the president cannot control it?

Another change is that the line between foreign and domestic policy has blurred. For example, a consumer who chooses to buy a Japanese car over an American one could argue that he or she is choosing free trade over protectionism. As a result, debates over foreign policy have come to take on characteristics usually associated with domestic issues: partisanship and interest-group pressure. Does this diversity of opinions make it less possible to forge a foreign policy that promotes the national interest?

Of most concern to many onlookers is that this fragmentation will make it impossible to form a public consensus on foreign policy. Can a foreign policy be effective if public opinion is not behind it?

How foreign policy was made

LIKE A PENDULUM, control of foreign policy has swung back and forth between the president and Congress several times in the course of the country's history.

Since the Constitution does not name one branch as preeminent, the struggle for control has been a political one, not a legal one. Strong presidents, such as Washington, Lincoln and the Roosevelts, expanded the powers of their office; strong Congresses, such as those of the late 1800s or 1970s, expanded theirs.

In the nation's first years, there was no president. The Continental Congress appointed George Washington commander in chief of the Continental Army in 1775 but ran foreign policy. Government by Congress proved time-consuming and inefficient. John Adams wrote that serving on 90 committees kept him busy from 4 a.m. to 10 p.m. daily.

In the beginning

When the framers of the Constitution met in 1787, they recognized that making foreign policy by committee was not workable. Yet, having fought a revolution against one strong executive, they were wary of creating another. The Constitution, therefore, assigns the executive and legislative branches separate but complementary powers.

The president is commander in chief of the army and navy, but Congress has the power to declare war, raise and support armies, and provide and maintain a navy. The president can make treaties and appoint ambassadors, but it must be "by and with the advice and consent of the Senate."

The first presidents were men of broad foreign policy experience. John Adams had held diplomatic posts; Thomas Jefferson, James Madison, James Monroe and John Quincy Adams had been secretary of state. Time and again, the first presidents sent troops into conflict without asking congressional approval. In 1798, Adams started a "quasi-war" against France after France seized some American vessels. Jefferson sent the navy to fight Barbary Coast pirates, and when Congress balked, he claimed it was a defensive action.

The early presidents also took the initiative on treatymaking. The Constitution left it unclear as to whether Congress was supposed to advise during treaty negotiations or afterward. Washington settled the question by refusing to consult with the Senate while negotiations over the Jay Treaty were in progress. Nonetheless, the Senate, after debating the treaty's provisions, gave its consent to its ratification.

Thomas Jefferson

Congress, then as now, tended to get most involved in foreign issues that aroused the public. One such issue in the early 1800s was "impressment," the British practice of forcing American sailors to work in their navy. Public outrage over impressment and other British offenses led to the election of the "Fighting 12th Congress" in 1811. This Congress successfully seized the foreign policy initiative from President Madison and declared war against Britain in 1812.

The Civil War brought about a major expansion of presidential powers. The powers Abraham Lincoln commanded were so sweeping that some have referred to him as the first imperial president. For example, when the Civil War broke out with the attack on Fort Sumter, Lincoln delayed convening Congress for three months while he raised an army and gathered funds.

Reaction to this followed Lincoln's death, and for the rest of the century presidents faced a willful Congress. From 1871 to 1898, the Senate did not give its consent to a single important treaty. The Senate's intransigence prompted then graduate student Woodrow Wilson (in his 1885 doctoral dissertation) to refer to the Senate's treaty making powers as "treaty-marring."

The most famous rejection of a presidential initiative came after World War I, when the Senate rejected the Treaty of Versailles, defeating President Wilson's crusade to have the U.S. join the League of Nations. Wilson's successor, Warren G. Harding, was one of the senators who voted against the treaty and Congress interpreted his landslide election in 1920 as a sign of public approval of the isolationist course it had charted.

In the 1930s, Congress was able to keep even as popular a president as Franklin D. Roosevelt on an isolationist track by passing legislation such as the Neutrality Acts of 1935, 1936 and 1937, which required the president to institute an arms embargo against any country involved in war. Roosevelt did not agree with the Congress but he followed its direction; it was too accurate a reflection of public opinion for him to ignore.

As World War II approached, the pendulum swung back toward the executive. In 1940, Roosevelt agreed to give the British 50 destroyers in return for 99-year leases of eight British bases. This deal, which Roosevelt announced to Congress without prior consultation, helped reestablish clear presidential leadership.

The postwar presidents could usually count on Congress's support as crisis after crisis prompted them to assume additional power. There were few complaints from Congress when Harry S Truman invoked his authority as commander in chief and sent American troops to South Korea. Even failure, such as the unsuccessful invasion of the Bay of Pigs in Cuba, authorized by John F. Kennedy, did not provoke greater congressional oversight.

Congress recoups

The war in Vietnam was a turning point, galvanizing Congress to reclaim constitutional powers it had let lapse. The unpopularity of the war, the secret bombing of Cambodia and finally the Watergate scandal, which led to Richard M. Nixon's resignation, convinced Congress and the public that the president was too strong.

Congress began wielding powers it had always had, but had not used. For example, through amendments to the president's annual foreign economic and military aid requests, Congress began to legislate how money should be spent, as well as

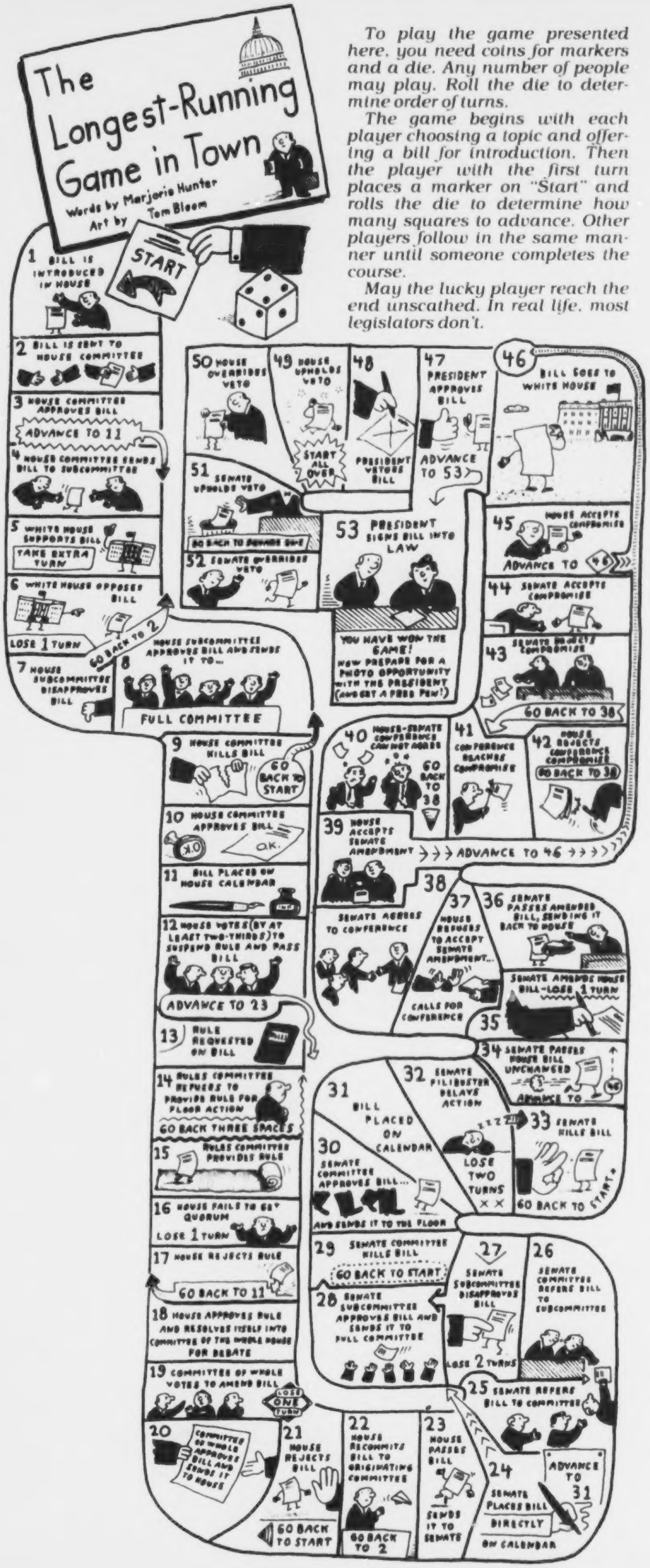
The Longest-Running Game in Town

Words by Marjorie Hunter
Art by Tom Bloom

To play the game presented here, you need coins for markers and a die. Any number of people may play. Roll the die to determine order of turns.

The game begins with each player choosing a topic and offering a bill for introduction. Then the player with the first turn places a marker on "Start" and rolls the die to determine how many squares to advance. Other players follow in the same manner until someone completes the course.

May the lucky player reach the end unscathed. In real life, most legislators don't.


START
1 BILL IS INTRODUCED IN HOUSE
2 BILL IS SENT TO HOUSE COMMITTEE
3 HOUSE COMMITTEE APPROVES BILL
ADVANCE TO 11
4 HOUSE COMMITTEE SENDS BILL TO SUBCOMMITTEE
5 WHITE HOUSE SUPPORTS BILL
TAKE EXTRA TURN
6 WHITE HOUSE OPPOSES BILL
LOSE 1 TURN
GO BACK TO 2
7 HOUSE SUBCOMMITTEE DISAPPROVES BILL
8 HOUSE SUBCOMMITTEE APPROVES BILL AND SENDS IT TO...
FULL COMMITTEE
9 HOUSE COMMITTEE KILLS BILL
GO BACK TO START
10 HOUSE COMMITTEE APPROVES BILL
O.K.
OK.
11 BILL PLACED ON HOUSE CALENDAR
12 HOUSE VOTES (BY AT LEAST TWO-THIRDS) TO SUSPEND RULE AND PASS BILL
ADVANCE TO 23
13 RULE REQUESTED ON BILL
14 RULES COMMITTEE REFUSES TO PROVIDE RULE FOR FLOOR ACTION
GO BACK THREE SPACES
15 RULES COMMITTEE PROVIDES RULE
16 HOUSE FAILS TO GET QUORUM
LOSE 1 TURN
17 HOUSE REJECTS RULE
GO BACK TO 11
18 HOUSE APPROVES RULE AND RESOLVES ITSELF INTO COMMITTEE OF THE WHOLE HOUSE FOR DEBATE
19 COMMITTEE OF WHOLE VOTES TO AMEND BILL
LOSE ONE TURN
20 COMMITTEE OF WHOLE APPROVES BILL AND SENDS IT TO HOUSE
21 HOUSE REJECTS BILL
GO BACK TO START
22 HOUSE RECOMMITS BILL TO ORIGINATING COMMITTEE
GO BACK TO 2
23 HOUSE PASSES BILL
SENDS IT TO SENATE
24 SENATE PLACES BILL DIRECTLY ON CALENDAR
ADVANCE TO 31
25 SENATE REFERS BILL TO COMMITTEE
26 SENATE COMMITTEE REFERS BILL TO SUBCOMMITTEE
27 SENATE SUBCOMMITTEE DISAPPROVES BILL
LOSE 2 TURNS
28 SENATE SUBCOMMITTEE APPROVES BILL AND SENDS IT TO FULL COMMITTEE
29 SENATE COMMITTEE KILLS BILL
GO BACK TO START
30 SENATE COMMITTEE APPROVES BILL... AND SENDS IT TO THE FLOOR
31 BILL PLACED ON CALENDAR
32 SENATE FILIBUSTER DELAYS ACTION
LOSE TWO TURNS
33 SENATE KILLS BILL
GO BACK TO START
34 SENATE PASSES HOUSE BILL UNCHANGED
ADVANCE TO 46
35 SENATE AMENDS HOUSE BILL–LOSE 1 TURN
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53 PRESIDENT SIGNS BILL INTO LAW
YOU HAVE WON THE GAME! NOW PREPARE FOR A PHOTO OPPORTUNITY WITH THE PRESIDENT (AND GET A FREE PEN!)

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how much. Congress's 1973 cutoff of funds for bombing Cambodia and its refusal to fund economic and military assistance for South Vietnam requested by Nixon hastened the end of U.S. involvement in Indochina.

War Powers Act

Congress also began passing laws that gave it more control over foreign policy. By one count, Congress passed more than 150 legislative curbs on presidential power during the 1970s. One of the most important of these was the War Powers Act of 1973. The act requires a president to inform Congress within 48 hours of introducing troops into a hostile situation. He must withdraw the troops within 60 days (or, in the event of "unavoidable military necessity," 90 days) unless Congress declares war or authorizes them to stay longer.

By the 1980s, there were signs that the activism of the 1970s had peaked. In August 1983, when the first two U.S. members of the multinational peacekeeping force in Lebanon were killed, Congress voiced concern but took no action. The restrictions of the War Powers Act only go into effect after the president notifies Congress that he has exposed U.S. troops to "hostilities or. . .situations where imminent involvement in hostilities is clearly indicated." This President Ronald Reagan refused to do and Congress could not compel him to do otherwise. (Reagan argued that the Marine deaths were the result of "isolated or infrequent" acts of violence against the U.S. armed forces.)

In a compromise reached October 12, 1983, Congress agreed to declare the War Powers Act in effect with regard to Lebanon and the President agreed to sign a bill to that effect. In return, Congress authorized the President to keep the troops in Lebanon for 18 months.

Congressional reaction to the invasion of Grenada on October 25, 1983, two days after terrorists attacked Marine headquarters in Beirut leaving 241 Americans dead, was another sign of congressional deference to the President. Though opposed to the invasion, Congress muted its opposition once it became clear that most of the public approved.

Though subdued, congressional activism is unlikely to disappear. The rapid growth of congressional staff, from 10,700 in 1969 to 18,400 in 1979, belies the notion that only a president can have all the information at his fingertips. Said Senator Lugar, "One hundred senators all have foreign policy interests now and they feel they ought to play a role."

If the executive-legislative battle over policy toward Central America is any guide, Congress will continue to rely heavily on amendments to foreign aid legislation as a way of affecting policy.

The president and Congress are but two of the actors in the foreign policy process. In the following case study of Central America, the influence of these and other players will be examined.

Case study: Central America

SOON AFTER HIS inauguration in January 1981, President Reagan requested a substantial increase in aid to El Salvador and adopted a more confrontational approach toward Nicaragua. His goal: "to halt the infiltration into the Americas by terrorists, by outside interference and those who aren't just aiming at El Salvador but, I think, are aiming at the whole of Central possibly later South America—and, I'm sure, eventually North America."

Like most foreign policy initiatives, this came in response to a crisis and, in this regard, Reagan's policy was not so different from that of Jimmy Carter, who had also asked for more aid to El Salvador in his final days in office.

In El Salvador, leftist guerrillas had launched what they called their "final offensive" against the U.S.-backed regime, a civilian-military junta led by José Napoleón Duarte. In Nicaragua, it was increasingly apparent that Marxist elements of the broad-based Sandinista government were gaining control.

In spite of the similarities of the Carter and Reagan approaches, a dramatic shift in priorities took place. Reagan saw the upheaval as but one part of an ongoing struggle between the U.S. and the Soviet Union. Moreover, Reagan considered Carter's human rights policies to some extent responsible for the upheaval in the region, particularly the downfall of the Somoza dynasty in Nicaragua in 1979.

Action and reaction

The change in priorities was signaled immediately. Days after the inauguration, Secretary of State Haig removed Carter's outspoken ambassador to El Salvador, Robert E. White, and replaced him with the "more tough-minded" Deane R. Hinton.

Haig then ordered the State Department to prepare a White Paper which he expected would prove to Congress and the public that Soviet-bloc countries were channeling arms through Nicaragua and Cuba to the rebels in El Salvador. In February 1981, when the White Paper was completed, Haig called a news conference and declared the situation in Central America a "textbook case of indirect aggression by Communist powers. . . ."

On March 2, Reagan sent $25 million in military assistance to El Salvador by tapping into an emergency fund, thereby circumventing Congress. (In cases of "unforeseen emergency," the Foreign Assistance Act authorizes the president to give up to $75 million in military assistance.) He also sent about 40 military advisers.

The burst of postinaugural activity culminated in late March when the Administration succeeded in increasing economic aid to El Salvador to $104.5 million. (By contrast, Carter had requested $5.5 million in military aid and $20 million in economic aid for fiscal year (FY) 1981.)

Groping for consensus

"Congress is a firehouse. If it's a one-alarm fire, you'll be ignored," explained Representative Thomas A. Daschle (D-S.D.). "The success you have in getting Congress to address an issue is directly related to how many bells you can ring."

Most presidents have subscribed to this bell-ringing approach to foreign policy. (Examples include Truman, who was willing to "scare hell out of the country" to get his legislative program approved, and Carter, who declared the energy crisis the "moral equivalent of war" in an effort to win support for his energy package.)

That Reagan succeeded in getting the appointees and money he wanted in place so quickly suggests that his "bell-ringing" worked—to a point. But having identified the crisis, Reagan had to form a consensus on a solution, which is where he ran into trouble. Many of the other players in the foreign policy arena had priorities, such as human rights, that they ranked at least as high as Reagan's emphasis on fighting communism. And many questioned the Administration's call for military assistance for what they saw as primarily an economic problem.

The best-organized opposition to Administration policy came from religious groups, which have formed a major lobby on Central America. The reasons are several. The church is active in Central America, and North American church members, particularly of the Roman Catholic Church and of liberal Protestant denominations, were in close contact with and sympathetic to Salvadoran church leaders. The Salvadoran church was opposed to U.S. military aid.

Also, in December 1980, four U.S. women, three of them nuns, were killed by a Salvadoran death squad (a privately financed, right-wing militia). This outrage, combined with the fact that the Salvadoran government had tried no one for the offense, mobilized church members.

Church groups began putting pressure on Congress to make aid to El Salvador contingent on improvements in human rights enforcement. The church organized letter-writing campaigns to Congress, and in El Salvador church groups began tracking human rights violations. In November 1981, the U.S. National Conference of Catholic Bishops issued a statement calling for negotiations between the Salvadoran government and the rebels and charging the U.S. with ignoring the economic roots of Central America's problems.

Other interest groups that opposed the President's policies were the liberal Americans for Democratic Action; the human rights organization, Americas Watch; and the Coalition for a New Foreign and Military Policy. Not all lobbies disagreed with the President. The Heritage Foundation, a conservative think tank, was an early supporter.

Gulf of Mexico
CUBA
JAMAICA
Kingston
BELIZE
Belmopan
MEXICO
Guatemala City
HONDURAS
Caribbean Sea
GUATEMALA
Tegucigalpa
San Salvador
NICARAGUA
EL SALVADOR
Managua
COSTA RICA
Panama
COLOMBIA
San Jose
PANAMA
Pacific Ocean

The Administration also ran into problems with the media. In their first months in office, Haig and Reagan had used televised speeches and press conferences to get across to the nation the urgency of the situation as they saw it. But once the media's spotlight was on Central America, there was no shutting it off.

Press trips to El Salvador began, along with the inevitable comparisons to Vietnam. Stories in *The Wall Street Journal* and *The Washington Post* in June 1981 discredited some of the facts in the Administration's hastily assembled White Paper. Central America began to overshadow all other foreign policy issues. "Events that become TV lead stories now set the priorities for the policymaking agenda," wrote Carter's White House counsel, Lloyd N. Cutler.

Attentive public

Public opinion was confused. The majority of the public was not sure whether it was El Salvador or Nicaragua that the U.S. supported. The response from the "attentive" public, the 20% of the total population that actively follows foreign policy, however, could only be construed as a bid for moderation.

For example, when GREAT DECISIONS participants in 1982 were asked to rank the causes of the unrest in Central America, 76% put "continuing poverty and injustice" first; only 11% blamed Communist agitation. Asked what to do for a government accused of human rights violations and under attack from Communists, only 5% said to provide unconditional military and economic aid, 41% said to provide economic aid on condition that the government stop human rights abuses, and 26% said to stay out of the area.

Congress acted on these concerns and on one more: the determination not to see its prerogatives usurped by the president. This feeling transcended whatever partisan differences separated the Democratic House from the Republican Senate.

The memory of the Gulf of Tonkin incident was still fresh. In 1964, the Johnson Administration claimed that a U.S. ship was fired on off the shores of Communist North Vietnam. Congress was outraged and, at Lyndon B. Johnson's request, passed a resolution (416-0 in the House; 88-2 in the Senate) authorizing the president "to take all necessary measures to repel any armed attack against the forces of the U.S. and to prevent further aggression."

Johnson used the resolution to justify expansion of the U.S. role in the war. When information came out later that the ship had been on a spying mission and that the aggression was not unprovoked, members of Congress were convinced that they had been tricked into giving up some of their powers. A high priority for Congress in dealing with Central America was to retain as much control as possible over the use of force.

Congress did authorize substantial increases in military and economic aid for El Salvador in late 1981, but it attached stringent conditions. The president had to certify every six months that El Salvador was making progress in political and economic reforms and in complying with human rights standards; that it was moving to hold free elections;

and that the government was gaining control over its armed forces. Without such certification, the president was required to suspend military aid and remove the advisers.

In search of consensus

The stringency of the legislation after a year of bell-ringing was but one indication that the Administration had not succeeded in forming a consensus on its policy. In response, the Administration began to broaden its policy in the hope of gaining more public and congressional support.

The Administration proposed a package of trade incentives and $350 million in additional economic aid for the area, called the Caribbean Basin Initiative. This would meet the concerns of those who felt that economic problems were the root of the crisis. To offset Congress's concern over human rights, the Administration began increasing its emphasis on democracy, both for El Salvador and Nicaragua.

The success of El Salvador's Constituent Assembly elections in March 1982 was a boost for the Administration's policy. A conservative lawyer, Alvaro Alfredo Magaña, was named interim president, pending 1984 presidential elections. What impressed the American people most was the large turnout of Salvadoran voters and the fact that, as was widely reported, the elections seemed fair. Polls showed an upsurge in support for Reagan's policy.

Ideology vs. continuity

With the broad outlines of his Central America policy in place by early 1982, President Reagan once again embarked on a quest for consensus, this time within the executive branch.

Reports of rivalries among executive-branch members may read like a gossip column, but these personal struggles for power can be as important as those between Congress and the president. This is because the rivalry is essentially an attempt to influence the action of a tremendously powerful executive. Executive agreements have accounted for almost 95% of agreements between the U.S. and foreign countries since World War II. Although the U.S. has been involved in approximately 125 conflicts abroad, Congress has only declared war five times.

In this rivalry within the executive branch, two groups usually square off. One is made up of direct presidential appointees. Their concerns and priorities are closely tied to the four-year term of the president who appointed them. Their assertiveness in implementing their president's foreign policy often results in their being labeled "ideologues," particularly by those who disagree with them. Ideologues prominent in the Reagan Administration are former ambassador to the United Nations Jeane J. Kirkpatrick, former national security adviser William P. Clark and Director of Central Intelligence William Casey.

Ranged against the political appointees is the foreign policy bureaucracy. This includes the 18,000-member Central Intelligence Agency, the 14,000-member State Department, and an undisclosed number of analysts at the Pentagon. The bureaucracy includes the people who actually implement foreign policy on a day-to-day basis. Since many of them serve through more than one administration, they may be said to represent an apolitical continuity in U.S. foreign policy.

"The most difficult management problem faced by any incoming Administration is the inertia of the bureaucracy," Haig wrote in his memoirs, *Caveat*. To ensure that its own approach to foreign policy would be carried out, the Administration filled 40% of its ambassadorial posts with political appointees, up from 26% under Carter.

Nonetheless, the Reagan Administration's agenda was modified by those members of the bureaucracy in charge of day-to-day Central America policy. One of the most influential was Thomas O. Enders, a career foreign service officer who was chosen by Haig to be assistant secretary of state for inter-American affairs.

Enders argued there were limits to U.S. influence in Central America. "The basic logic of the Enders approach tended toward some sort of negotiated settlement toward the region's difficulties," journalist Christopher Dickey reported.

The Reagan agenda was further modified by Secretary of State Haig and his successor, George P. Shultz. Secretaries of state are, of course, political appointees, but it is in their interest to make the State Department the preeminent policymaking agency—and that means encouraging negotiations.

The Defense Department and the Joint Chiefs of Staff also favored a comparatively cautious approach. In their eyes, the loss of the Vietnam war led to a decade of slow growth in defense spending. Weinberger was preoccupied with getting larger defense appropriations out of Congress and was not eager for involvement in another unpopular war. (In a speech in 1984, Weinberger listed six prerequisites for going to war. One of them was that "there must be some reasonable assurance we will have the support of the American people . . .and Congress.")

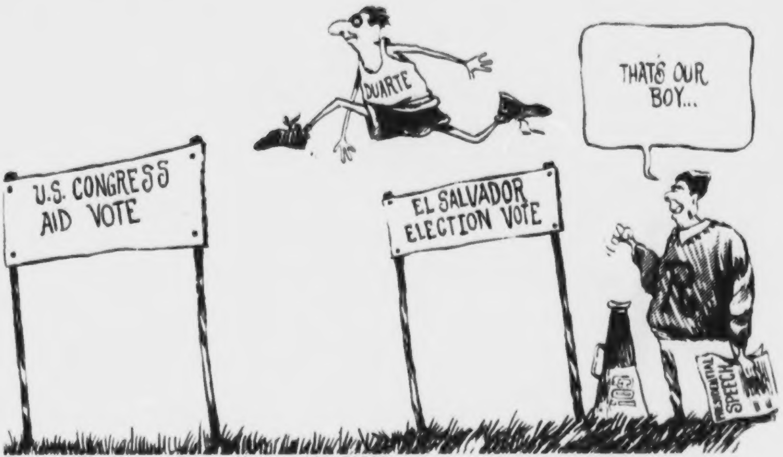
Through 1982 and early 1983, these groups, as well as public opinion and congressional pressure, pushed the President toward a more moderate stance than he had originally contemplated. One indication of his changed tone was that, in speeches during his trip to Latin America in December 1982, Reagan focused on Central America's economic problems and downplayed the Communist threat.

Summitry in the NSC

More-assertive advisers then intervened, among them Lt. General Wallace H. Nutting, commander of U.S. forces in Latin America, and Kirkpatrick.

Her visit to Central America in February 1983 convinced her that El Salvador was in danger of losing its war against the leftist rebels unless the President committed his own prestige and time. She was supported in her conclusion by Casey and Clark, and they used the National Security Council (NSC) as a forum for convincing the President. Within days he had submitted a new aid request to Congress. The NSC, formed by Congress in 1947, advises the president on the coordination of domestic, foreign and military security policies. Its members are the president, vice-president, the secretaries of state and defense, with the chairman of the Joint Chiefs of Staff and the director of Central Intelligence as advisers. Kirkpatrick participated by invitation of the President.

The NSC's success was the State Department's loss. One unnamed U.S. official told *Newsweek* after Kirkpatrick's February visit that Enders is "no longer one of us." Such leaks to the press painted Enders as being overly moderate, and eventually undercut him. (Leaking is really a form of foreign-policymaking. Press reports citing unnamed officials can have the effect of boosting or undermining a policymaker's position.)



Barling in *The Christian Science Monitor* © 1984 TCSPS.

The CIA's role

At about this time, the contras stepped up their activities. The contras are anti-Sandinista rebels from Nicaragua. In December 1981, the President approved $19 million to enable the CIA to organize a group of 500 contras to intercept weapons being sent from Nicaragua to El Salvador.

The use of the CIA as a tool of foreign policy is almost always controversial because the secrecy with which it operates enables an Administration to bypass most of the other foreign policy actors—not only the public and Congress, but most of the bureaucracy as well. Following reports in November 1982 that the contras based in Honduras were planning a U.S.-backed invasion of Nicaragua, Congress passed the Boland Amendment (named for its sponsor, Representative Edward P. Boland (D-Mass.), chairman of the House Permanent Select Committee on Intelligence) to the FY 1983 Defense Department appropriations bill.

The Boland Amendment prohibited the use of funds to support paramilitary groups "for the purpose of overthrowing the government of Nicaragua. . . ." The House approved the amendment by 411-0; the language was retained after conference with the Senate; and the president signed it into law in December 1982. Since then, the Boland Amendment has been renewed each year, attached to appropriations legislation.

Congressional pressure notwithstanding, the executive branch retained considerable control over whether or how the so-called covert war would be fought. For example, the Defense Department has transferred "excess" military aircraft to the CIA, which has provided them at no cost to the contras. A member of the NSC staff has been providing the contras with military advice.

In short, whoever won the power struggle within the executive branch over the contras' mission would probably have more effect on Central America policy than Congress. By May 1983, it appeared that those favoring a more aggressive role for the contras had won. In May 1983, Enders was transferred to Spain and days later Hinton, who was criticized for publicly lecturing the Salvadoran government on human rights, was replaced. At the same time, the contras intensified their activities.

Two elections in 1984—those of Duarte in May and Reagan in November—influenced U.S. policy toward Central America as much as all the preceding three-years' activities. Duarte's success was a visible sign to the American people that at least one of the Administration's goals, democracy in El Salvador, was achievable. Reagan's landslide was a sign to Democrats in Congress that Americans were not unhappy with the direction of U.S. policy.

The big push

In the year before the elections Reagan renewed his efforts to build consensus for his policies. At the request of Senators Charles Mathias (R-Md.) and Henry Jackson (D-Wash.), the Administration formed the National Bipartisan Commission on Central America. The Kissinger commission, named for its chairman, embarked on a six-month fact-finding effort and its report, released in January 1984, became the basis of the Administration's aid request.

The commission proposed an $8 billion economic and military aid package for Central America over five years (FYs 1985-89). But the members were unable to find a consensus position on such thorny issues as human rights certification and covert aid, and several members, including the chairman, attached separate opinions to the commission's final report.

When the Administration submitted the "Jackson Plan" based on the commission's recommendations to Congress on February 3, 1984, it sparked concern for several reasons. The request was large—$8 billion in aid, $2 billion in trade credit guarantees over five years—plus supplementary aid for FY '84. Although most of the aid would be economic, the request did call for a substantial increase in military aid.

Also, Congress was already considering a substantial emergency aid bill proposed by the President for Central America that included a request for $21 million in aid for the contras. Many congressmen were troubled by what appeared to be a growing role for the CIA in Central America. Their concern was underscored when days after the Senate approved the $21 million, it was revealed that the CIA had overseen the mining of Nicaraguan harbors. Many shared the concerns of Representative Michael D. Barnes (D.-Md.), who said, "The President. . . has committed an 'act of war' against Nicaragua. . .without consulting the Congress, and certainly without consulting the American people." (The Senate agreed in June with the House to delete the $21 million.)

It was against this unharmonious backdrop that Congress began the authorization debates on the Jackson Plan. Congress deals with aid requests in two steps—authorization and appropriation of funds. The authorizing legislation is usually considered in the spring, first by the Senate Foreign Relations Committee and the House Foreign Affairs Committee, then by both houses. Whatever differences remain must be smoothed over in conference. The authorizing legislation is supposed to be the point at which members of Congress determine the goals of the aid, asking, for example, what the money is supposed to achieve.

The next step, usually in the fall, is the appropriations legislation. This is first considered by the Senate and House Appropriations committees, then by the full House and Senate.

Congress can tack on requirements at both stages.

The spring authorization debates were contentious. The House considered three proposals. One, proposed by Representative William S. Broomfield (R-Mich.), was essentially the Reagan plan for FY 1984 and FY 1985, and this was the plan that was eventually approved. Democratic members were feeling the heat generated by Reagan's public statements. Explained speaker of the House Thomas P. O'Neill (D-Mass.), the Broomfield amendment had been approved because members of Congress feared they would be blamed if the rebels toppled Duarte.

By summer, the atmosphere had changed considerably because of the victory of Duarte in the Salvadoran presidential elections in May 1984. For the first time in recent history, El Salvador had an elected centrist leader who shared the views of many in the U.S. Congress on the need for land reform, protection of human rights and negotiations with the rebels. Under such conditions it was not in anyone's interest to undercut him.

The approved appropriations legislation included most of what the President had asked for—$565 million of the $659 million sought for that year. Congress did tack on some significant prohibitions, such as an end to assistance to El Salvador if its elected president is deposed by a military coup or decree. Still, the vote was a victory for the President.

What was missing in the legislation was aid to the contras. Congress appropriated $14 million in the fall, but, under the terms of a compromise between the House and the Senate, the aid would not be available until after February 28, 1985, and then only if Congress approved it.

President Reagan's landslide victory in November 1984 enabled him to take the offensive. The American people had made their position known on Central America when they voted for his reelection, he argued. Not to fund the contras would mean ending support for people who were "the moral equivalent of our Founding Fathers."

The President was supported by a strong pro-contra lobby that had not existed when he first proposed his Central America policy in 1981. Major General John K. Singlaub, a retired U.S. army officer, led one group called the U.S. Council for World Freedom that provides economic support to the contras. Another group, called the Nicaraguan Freedom Fund, was set up that spring by former treasury secretary William E. Simon. In April 1985, President Reagan addressed a third group, the Nicaraguan Refugee Fund, which was holding a fundraiser. These groups and others raised up to $25 million, Singlaub estimates.

The success these organizations had in raising money, even at a time when Congress had banned CIA aid to Nicaragua, meant to Congress that a cutoff of formal aid was not likely to lead to the end of the contras. A deadlocked foreign aid bill was more likely to mean that the House would forfeit what little say it could have in the contras' mission.

Public opinion remained uncertain but there was a definite increase in support for the President. In April 1984, 19% of the public knew which side the U.S. supported in Nicaragua, and of those, 42% favored helping the rebels. By June 1985, 26% could correctly identify the U.S. position, and 50% of that expanding pool of people favored aid.

Those who opposed aiding the contras argued that four years of aid had not resulted in any change in Nicaragua; that the U.S. had not made good-faith efforts to negotiate with the government; and that support of the aid was in effect support of terrorist activity against a sovereign nation. The Senate approved the aid, 53-46, but the House voted down the proposal, 248-180.

Almost immediately, the House began reconsidering its decision. On April 26, the day after the House vote, Nicaraguan leader Daniel Ortega Saavedra left on a trip for the Soviet Union and Eastern Europe. Ortega's trip had been planned well in advance, but the pictures of Ortega and Soviet leader Mikhail S. Gorbachev splashed on the pages of American newspapers brought home to the public and the House in an emotional way the fact that Ortega was a Communist. Reagan, citing Nicaragua's closer ties with the U.S.S.R., declared a national emergency, which enabled him to put trade sanctions in effect against Nicaragua.

In response, the House proposed a new plan: $14 million should be sent to Nicaragua for humanitarian purposes but it could not be distributed by either the Defense Department or the CIA. The sum, eventually raised to $27 million, was approved by both houses and signed into law in August 1985.

Does the system work?

"In our two party democracy, an effective foreign policy must begin with bipartisanship. . . ."

Ronald Reagan (June 1984)

"The most important task that the newly elected President will have in November is to restore some degree of bipartisanship to our foreign policy. . . ."

Henry Kissinger (June 1984)

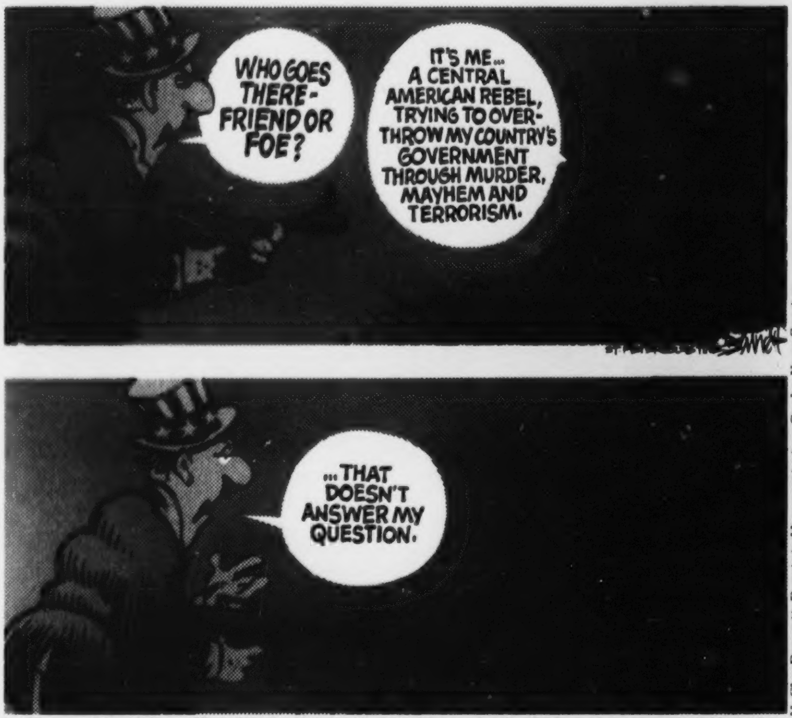
"Can we move toward bipartisanship? We certainly should. . . ."

Zbigniew Brzezinski (June 1984)

BIPARTISANSHIP HAS become the buzzword for the 1980s, and, as these quotes show, support for bipartisanship, if nothing else, is bipartisan.

When people talk about bipartisanship, they are usually thinking back to what is referred to as the "Golden Age" of foreign policy, the period immediately following World War II. The landmark initiatives of this time were aid to Greece and Turkey in 1947; the Marshall Plan for economic aid to Western Europe in 1948; and American leadership in the formation of the North Atlantic Treaty Organization (NATO) in 1949.

Three things about this time are appealing. There appeared to be a sense of "the national interest," that overrode partisan or special-interest concerns. The symbol of this was Senator Arthur H. Vandenberg, (R-Mich.), the Republican leader who threw his support behind a Democratic president for the greater good of the country. Second, the secretary of state was in charge of U.S. foreign policy because of the close relationship Truman had with George C. Marshall and his successor, Dean Acheson. Third, there was a national consensus on the country's primary foreign policy goal: containment of the Soviet threat.


WHO GOES THERE- FRIEND OR FOE?
IT'S ME... A CENTRAL AMERICAN REBEL, TRYING TO OVERTHROW MY COUNTRY'S GOVERNMENT THROUGH MURDER, MAYHEM AND TERRORISM.
...THAT DOESN'T ANSWER MY QUESTION.

H. Clay Bennett. Reprinted by permission. Copley News Service.

The ambiguities of foreign policy in the 1980s make building consensus difficult.

Congress: asset or obstacle?

Congress plays a far more assertive role today than it did then in foreign-policymaking. Is this good? Critics say no, and some of the foremost critics are members of Congress.

Writing in *Foreign Affairs* (Winter 1981/82), Senator John G. Tower (R-Tex.) argued, "We may well be in a situation today which is analogous to that of the late 1930s, when America's inability to play a more active role in world affairs helped permit the Axis to realize its objectives. . . . During this period Congress tied the President's hands with disastrous consequences."

Critics charge Congress with hindering the formation of effective foreign policy. For example, they claim Congress's insistence in the past on putting human rights certification on legislation put the President in an unworkable position. If he did not certify El Salvador's improvement, Congress could cut off aid and the rebels might win—a situation which the President felt would result in far worse violations. But if he did certify improvement, in the face of an obviously bad human rights situation, his critics could accuse him of lying and his policy would lose credibility. To its allies, the U.S. would appear an unstable friend, critics charge.

Supporters of a strong Congress argue that Congress is the "people's voice" on foreign policy. Said former Representative Barber Conable (R-N.Y.), if the process occasionally seems like "a mountain rumbling and a mouse coming forth—remember that representative government, because it is accessible and accountable, is not likely to be highly adventurous. Are you sure you'd like it if it were?"

Supporters point out that congressional restrictions on Central America legislation, while unwieldy, reflected the very real concerns of the American people—concerns that the Administration might not have heeded on its own. Human rights violations have decreased in Central America, and this is in no small part because the Salvadoran army recognized that the U.S. would not support it if the rights violations continued. Furthermore, improvement in the realm of human rights has probably cleared the way for greater support for the President's policies.

What about those who make foreign policy? Is partisanship now more important than the "national interest"? Critics point out that the sniping between Kirkpatrick and Haig or Shultz and Weinberger sends out confusing signals to U.S. allies.

They argue that swings in foreign policy that come with each Administration make the U.S. look incoherent. The authors of *Our Own Worst Enemy* argue, "For most nations, only war and revolution have overturned centuries of national interest. . . .For us, merely an election or a change in political imperatives bring[s] a call for sweeping new designs."

Those who disagree with this view argue that there are a lot of forces pushing toward continuity, such as Congress and the bureaucracy. After Anastasio Somoza Debayle's fall in 1979, Congress forced Carter to pay more attention to security concerns. Reagan's Central America policies have also been pushed to the center.

Finally, what of the American people? There has been a change in the way people view foreign policy. There is more media coverage, making it possible to have more information. Special interests and lobbies play an increasingly important part in both domestic and foreign policymaking. By one estimate, lobbies contributed $104 million to the 1984 congressional campaigns, more than one third of the total spent. Do such factors make it impossible for a president to forge a consensus?

Before deciding, it is worth reconsidering the great days of bipartisanship. The agreement on policies concerning Western Europe was not apparent when attention turned to areas where American interest was less clear, such as Korea. There was even greater disagreement over who "lost" China.

The call for bipartisanship should not be used to overshadow the legitimate concerns of a worried electorate; some caution. If four years of persuasion have produced only a limited consensus on U.S. policy toward Central America, it may say more about the quality of the policy than it does about the electorate.

1 OPINION BALLOT on page 89 ▶

FOR DISCUSSION

1. How do you think U.S. policy toward Central America would be different today without Congress's input? the public's?

2. Foreign policy has been defined as the "defense of national interests." Define national interests. In Central America, what national interests does U.S. policy defend?

3. Each of the foreign policy actors influential in making policy toward Central America has his or her own set of priorities. What are the President's priorities? the Democrats' in Congress? yours?

4. The early presidents were men of broad foreign policy experience who were generally willing to bypass Congress when they thought policy demanded it. Would you want such a president today?

5. Policymakers have applied lessons learned from the Vietnam war to the making of foreign policy toward Central America. For example, the secretary of defense has vowed not to get into another war without popular support. What other examples can you think of? Do you think this is a positive or negative influence on policymaking?

6. What is the objective of CIA-supported covert operations in Central America? Do you favor covert operations as a way of achieving foreign policy objectives?

7. There have been many calls for a return to bipartisanship in the last few years. Define bipartisanship. What happened to the postwar bipartisanship in foreign policy? How do you think a bipartisan policy toward Central America would differ from the current one?

8. Democracy in El Salvador has been one of the Administration's most important goals; yet, such a goal carries with it potential risks. President Duarte could be assassinated or defeated by right-wing opponents less committed to democracy. In that event, should the U.S. still send high levels of military and economic aid?

9. Is Congress more or less able to affect foreign policy than it was in the 1970s? Would you like to see its powers increase?

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For further in-depth reading, write for the GREAT DECISIONS *'86 Bibliography (see page 2).*

ILLUSTRATION CREDITS: p. 5, Terry Arthur, the White House; p. 9, A.G. Smith.

2 'Star Wars' and the Geneva Talks

WHAT FUTURE FOR ARMS CONTROL?

AUGUST 6, 1985, MARKED the 40th anniversary of the nuclear explosion that leveled the Japanese city of Hiroshima and killed 138,000 of its citizens. The U.S. had discovered the secret to building weapons of unparalleled destructiveness, and the Soviet Union was not long in following. Over the next four decades, both countries developed and stockpiled weapons with enough power to destroy life as we know it on this planet several times over.

The knowledge that each of the two superpowers has the capability to withstand a surprise nuclear attack and still cause unacceptable damage to the other has, in most people's view, preserved the peace by preventing either from using its nuclear weapons. But peace based on the deterrence of war by the threat of "mutual assured destruction" (MAD) has always made people uneasy. Weapons continue to be stockpiled in an effort to ensure that they will never be used, a paradox that strikes many as a mistake that actually increases the likelihood of a nuclear holocaust. Many question the morality of a policy that risks the lives of so many innocent civilians. And more recently, many have begun to ask whether this type of deterrence can continue to work indefinitely.

Left to right: Secretary of State George P. Shultz, an interpreter, Soviet Ambassador to the U.S. Anatoly Dobrynin, Soviet Foreign Minister Eduard A. Shevardnadze

On March 23, 1983, President Ronald Reagan addressed these concerns when he announced the Strategic Defense Initiative (SDI). He made defense against nuclear weapons—"mutual assured survival"—a top priority for his Administration. He called upon "the scientific community who gave us nuclear weapons" to "give us the means of rendering these nuclear weapons impotent and obsolete" and expressed the hope that by eliminating "the threat posed by strategic nuclear missiles" the U.S. "could pave the way for arms control measures to eliminate the weapons themselves." Reagan's vision is of a system of land- and probably space-based weapons that would shoot incoming missiles out of the sky, establishing a protective shield over the U.S. and its allies.

The President's speech set off a furor that has lasted three years and promises to continue. The Soviet Union has denounced the plan as "a bid to disarm" the U.S.S.R. and has warned that if the U.S. develops space-based weapons, the price could be ". . .the scrapping of every prospect for an end to the arms race." In this country, opponents have pronounced the plan, popularly known as "Star Wars," unattainable and destabilizing. Experts have estimated the cost of a hypothetical strategic defense system anywhere from tens of billions to one trillion dollars, and they maintain that it would still not be able to provide complete protection—especially since the Soviet Union will seek ways to circumvent any defense. The Reagan Administration and other proponents disagree, saying that even if a "leakproof" defense turns out to be impossible, there are more limited goals that are well worth pursuing.

Other critics object that, even if feasible, SDI will violate the 1972 Antiballistic Missile (ABM*) Treaty, sound the death knell for arms control and the warning shot for the next round in the offensive arms race. SDI advocates retort that, according to their interpretation of the ABM Treaty, SDI is not in violation, and that in any event the Soviets have been violating treaties when it suits them for years. They negotiate with the U.S. only to limit American military programs while they proceed with their own, unimpeded by the public scrutiny present in a democratic society. Many who hold this view argue that not only should the U.S. proceed with SDI, but it should reevaluate its commitment to arms control.

While these points of view were being argued on editorial pages and in opinion journals in the U.S., Moscow indicated in November 1984 that it was ready to return to nuclear arms negotiations. It had walked out of earlier talks after failing to halt the deployment of U.S. intermediate nuclear forces (INF*) in Western Europe at the end of 1983. Umbrella talks for discussions on long- and medium-range offensive and defensive weapons began in Geneva on March 12, 1985, but there has been little substantive progress to date. The Soviets have offered to make deep cuts in offensive weapons if the U.S. calls off its SDI research, but the Reagan Administration says research violates no treaty and is not negotiable.

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* *See Glossary p. 17.*

What's going on here? What is SDI and why is there such a controversy at a time when no one knows—or will know for some time—whether it can be made to work, or for what purpose? Will pursuing or attaining a defense against ballistic missiles* kill arms control? What kind of deal should the U.S. seek at Geneva? What are the prospects for "nuclear peace" if no agreement is reached?

Controlling the arms race

NUCLEAR WEAPONS have been used only twice, at Hiroshima and Nagasaki during World War II in an effort to end the war without further great loss of American lives. The scale of the destruction the bombs caused—over 200,000 people killed and two cities leveled—led to a basic change in military thinking. Theorist Bernard Brodie summed up the new reality a year later: "Thus far the chief purpose of our military establishment has been to win wars. From now on its chief purpose must be to avert them. It can have almost no other useful purpose."

What is deterrence?

Many of today's nuclear weapons are hundreds of times more powerful than the one dropped at Hiroshima and can reach their targets within minutes. Their use—whether by accident or design—could wipe out life as we know it. U.S. nuclear policy has been a continuing effort to ensure that these weapons are never used again. The U.S. stockpiles the weapons not to use them, but in order to "deter" its adversaries—mainly the Soviet Union, with its huge nuclear arsenal—from using theirs, or from threatening to use force against either the U.S. or its allies in order to gain some political or military objective.

Military deterrence is the process of convincing a potential aggressor, by the threat of retaliation, not to attack. In the nuclear age, deterrence depends on the capacity to strike back after a nuclear attack (or first strike*). Retaliation must be both certain and potentially so devastating that an enemy considering aggression knows he will lose more by attacking than he could possibly gain. He must, therefore, be convinced of your retaliatory (second-strike*) capability and will to use it.

As the military balance between the superpowers has changed over the years, so have ideas about what makes the most credible deterrent. Immediately after World War II, when it had a monopoly on nuclear weapons, the U.S. could credibly deter any attack against itself and its allies by threatening to use its nuclear weapons. But once the Soviet Union developed the means to launch its own nuclear weapons, the U.S. had to begin designing its forces so that they could survive attack and strike back. Between 1945 and 1957, as the U.S. sought to retain its nuclear advantage and the Soviet Union sought to catch up, various broad proposals for stopping the arms race were aired at the United Nations by both the U.S. and the Soviet Union, but there was little basis for agreement. In the Baruch Plan (1946), the U.S. proposed placing all nuclear resources (that is, its own) under the control of an independent international agency. The Soviet Union quickly rejected the plan, under which the U.S. would be the only nation that knew how to make and use the new weapons. Moscow proposed instead that all stocks of nuclear weapons be destroyed, and that an international body be established to share the technology but not to control the weapons themselves.

Both countries, in the meantime, were testing new weapons and new means of delivery. Both sides worked on improving their bomber forces, with the U.S. far in the lead. The Soviet Union tested its first atomic bomb in 1949. The U.S. exploded its first thermonuclear device in 1952, followed by the U.S.S.R. in 1953. In spite of these developments, the U.S. remained invulnerable to Soviet attack because the Soviet bombers did not have the range to deliver their bombs and still return home. This period ended in 1957, when the Soviets tested their first intercontinental ballistic missile (ICBM*) and launched Sputnik, the first man-made satellite, into orbit.

The Test Ban Treaty

By 1958, there was an atmospheric nuclear test almost every four days, and evidence was accumulating that radioactive fallout was causing radiation sickness in humans and harming the environment. At the same time, Soviet success with Sputnik triggered U.S. fears of a "missile gap" (later proven nonexistent) in the U.S.S.R.'s favor. With each side anxious to slow the other's nuclear developments, the superpowers began negotiations on a nuclear test ban in 1957. However, neither side would trust the other to comply with any agreement without adequate verification, and talks stalled over this issue for several years.

By 1962, new surveillance satellites that could monitor compliance with a test ban were in orbit, and both the U.S. and U.S.S.R. were ready to sign an agreement. Moscow, concerned about the inadequacy of its strategic forces, tried to place intermediate-range ballistic missiles in Cuba. The resulting U.S.-Soviet confrontation of October 1962, the Cuban missile crisis, ended when the Soviets backed down and removed their missiles. The experience demonstrated the danger of superpower crises in the nuclear age, and prompted the two nations to take immediate steps to ease tensions and avoid a repeat performance. In the improved climate, the Limited Test Ban Treaty, prohibiting nuclear explosions in the atmosphere, in outer space and underwater, was signed in 1963. Terms of a comprehensive ban were impossible to agree upon at the time because verification technology was not advanced enough to detect underground tests. The two countries signed the "hot line" agreement establishing a direct communication link between the Kremlin and the White House the same year.

Parity and MAD

Testing is an integral part of the weapons development process. Since the test ban did not cover underground tests, the weapons buildup continued on both sides. After being forced to back down in the Cuban missile crisis, the Soviets increased their defense spending by 3-4% a year, in part to prevent similar humiliation in the future.

By about 1970, the Soviet Union approached strategic parity with the U.S. In the process, the Soviets passed the U.S. in numbers of ICBMs and built up their arsenal of submarine-launched ballistic missiles (SLBMs*). They improved their air defenses to enable them to shoot down American bombers, expanded civil defense measures, and began building an antiballistic missile system (ABM, also known as ballistic missile defense system, or BMD) to defend Moscow.

As the Soviets increased their nuclear arsenal, the U.S. looked for new ways to bolster its own deterrent force. The threat of massive retaliation against the Soviets was no longer sound strategy, since the Soviets now possessed an impressive second-strike force of their own. The U.S. continued to seek to ensure that its nuclear bombers, ICBMs and SLBMs—the three legs of the "strategic triad"—were as safe from attack as possible, so that the Soviets could never expect to wipe out the entire U.S. arsenal with one well-aimed blow.

The U.S. first considered deploying an ABM system during the Johnson Administration (1963-69). The plan called for ABM defenses at two missile sites. When it was announced in 1967, the decision alarmed the Soviets, probably because their own system had been plagued with problems and they feared that U.S. technology would outstrip theirs.

The Soviet ABM system was also cause for anxiety in the U.S. If the Soviets developed their system to the point where they believed their territory was immune to retaliatory attack, they might be tempted to strike first during a crisis, undermining the basis of deterrence.

The U.S. was primarily concerned, however, with the U.S.S.R.'s growing offensive arsenal. When the Soviet leadership expressed interest to the Nixon Administration (1969-74) in a treaty on defensive weapons, the U.S. said it was prepared to negotiate on condition that offensive weapon systems also be included.

Political factors also pushed the two countries toward the negotiating table. The U.S.S.R. wanted to be recognized by the U.S. and the rest of the world as a superpower, on equal footing with the U.S. Participation in

GLOSSARY

ABM (antiballistic missile): Any missile capable of destroying another ballistic missile in flight, before the latter reaches its target. Also known as ballistic missile defense, or BMD.

ASAT (antisatellite weapon): Any weapon capable of neutralizing satellites in space. Also known as space mines.

Ballistic missile: A missile propelled by a rocket. The rocket's thrust determines the missile's course and point of impact. Unlike aircraft or cruise missiles, a ballistic missile returns to earth in a free fall and hence cannot change course in mid-flight.

First strike: The first offensive move of a general nuclear war. It implies an intention to knock out the opponent's ability to retaliate.

Forward-based systems: U.S. nuclear weapon systems—bombers, intermediate- and short-range missiles—that are based in Western Europe or on aircraft carriers or submarines and can reach Soviet territory.

ICBM (intercontinental ballistic missile): A land-based, rocket-propelled missile capable of delivering one or more nuclear warheads over a distance of 3,000 nautical miles or more.

INF (intermediate-range nuclear forces): The Reagan Administration's preferred term for nuclear weapon systems with shorter range than ICBMs but with greater range than "battlefield" nuclear weapons. (INF were formerly known as theater nuclear forces, TNF.)

Kinetic-energy weapons: Objects that destroy their target by sheer impact. They are slower and have a shorter range than particle-beam weapons. Some, so-called smart rocks, would be guided to their target by tiny on-board computers.

Laser: A device that generates a highly concentrated, high-powered beam traveling at the speed of light that can deactivate a target thousands of miles away by burning a hole through its skin and damaging or destroying the interior with intense heat.

Launcher: According to definitions developed during the SALT negotiations, a device, such as a silo, a submarine tube or a strategic bomber, from which a weapon is launched.

MIRV (multiple independently targetable reentry vehicle): One of several nuclear warheads mounted on a single missile. Each MIRV, after separation from the missile booster, can be directed at a different target.

Particle-beam weapon: A weapon that fires streams of atoms or subatomic particles through space at nearly the speed of light. Particle streams penetrate the target, disrupt its electronic circuits and/or inflict structural damage.

Payload: The explosive charge contained in the warhead of a missile.

Second strike: A nuclear attack in response to an adversary's first strike. A second-strike capability is the ability to absorb the full force of a first strike and still inflict unacceptable damage in retaliation.

SLBM (submarine-launched ballistic missile): A rocket-propelled ballistic missile launched from a submarine.

Throw-weight: The combined weight of the guidance systems, warheads and penetration aids that can be carried by a single ballistic missile.

Warhead: The part of a missile that contains the explosive intended to detonate on reaching the target.

negotiations with the U.S. offered Moscow that recognition; a signed agreement would formalize it. In the U.S., the Nixon Administration saw arms talks as a critical feature of détente, a policy of lessening tension and expanding East-West trade and cultural contacts to discourage Moscow from pursuing revolutionary goals in other countries.

Domestically, the arms race was becoming increasingly expensive at a time when both superpowers had other problems that needed attention. The U.S., heavily involved in the Vietnam war, was being pressured by Congress to cut defense spending. The Soviet Union, faced with recurring unrest in Eastern Europe and a deepening rift with its former ally, the People's Republic of China, was anxious to lessen tension with the U.S. The Brezhnev regime was also intent on raising the Soviet standard of living, for which it needed foreign capital and trade. Western markets could provide these—if the climate was right. Moscow saw arms control as a way of improving the atmosphere.

The SALT talks

Arms control thus seemed to offer a number of military and political benefits to both sides by the late 1960s. After a postponement by the U.S. in protest against the Soviet invasion of Czechoslovakia in August 1968, the first Strategic Arms Limitation Talks (SALT I) finally began in November 1969. Negotiations were private and sessions alternated between Helsinki, Finland, and Vienna, Austria. They lasted until May 1972 and resulted in the ABM Treaty and the Interim Agreement on strategic offensive arms.

As the first set of bilateral talks on arms limitation between the two superpowers, the SALT I talks laid the groundwork for future arms control negotiations and exposed what were to become recurring obstacles to success.

Early problems arose because of asymmetries between U.S. and Soviet forces. The Soviets had focused their buildup on very large and powerful (or "heavy") ICBMs that could destroy U.S. land-based missiles, even those housed in hardened (heavily protected) silos. The U.S. had stopped adding to its missile force in 1967 but had begun replacing old missiles with new ones carrying added warheads*—multiple independently targetable reentry vehicles (MIRVs*). Placing multiple warheads on missiles was seen as the most cost-effective way of overwhelming the Soviet ABM system and protecting U.S. targets. By 1972, the Soviet Union led the U.S. in ICBM launchers,* 1,527 to 1,054, but the U.S. led the U.S.S.R. in warheads, 5,600 to 2,200. The U.S. was also significantly ahead in numbers of long-range bombers.

Differences also existed in geography and alliance relationships. The U.S. had intermediate-range aircraft based in Western Europe and on ships offshore that could hit Soviet territory, and Britain and France had small nuclear forces of their own. The Chinese nuclear force was on the Soviet border. The U.S. faced no such threat in the Western Hemisphere after the Cuban missile crisis.

These differences led to some early and lasting disagreements. One was over what constituted a "strategic" weapon and therefore a legitimate subject of negotiation. The Soviets maintained that anything that could hit the territory of the other side counted as strategic, whatever its range. According to this definition, U.S. forward-based systems*—those stationed in or near Western Europe and aimed at Soviet territory—counted in missile totals. However, they did not want their weapons that could reach Europe but not the U.S. counted. The U.S. argued that only weapons with an intercontinental range—ICBMs, SLBMs and long-range bombers—were strategic.

When initial attempts to deal with offensive arms bogged down, the Soviets moved to confine negotiations to defensive systems. This deadlock was resolved by making the ABM Treaty permanent, while calling the offensive arms limitation agreement "interim" and promising to continue negotiations on a more comprehensive and long-term agreement later. Because the forces of the two sides were not exactly comparable, it was agreed to begin negotiations on the assumption of rough parity, and to require that any future sacrifice by either side be matched by an "equivalent sacrifice" by the other.

The ABM Treaty

The ABM Treaty permitted each side to build an ABM system at two sites, subsequently reduced to one. The location of the system had to be either within 150 km (93 miles) of a national capital, or within 150 km of a missile site. These restrictions were designed to ensure that neither country could protect its entire homeland and undermine the basis of deterrence. Only one type of ABM system was permitted, consisting of ABM interceptor missiles, launchers and radars to detect incoming missiles; and ceilings were set on the permissible numbers of each. The signatories also agreed "not to develop, test or deploy ABM systems or components which are sea-based, air-based, space-based, or mobile land-based."

To protect the treaty from obsolescence, an agreed statement provided for discussions in the event that new "ABM systems based on other physical principles" were developed. Testing of other types of weapons in "an ABM mode" was prohibited, a safeguard the U.S. wanted against the possibility of Soviet upgrading and expanding of its extensive air defense system.

"Modernization and replacement of existing ABM systems" was permitted, so a certain amount of research, development, testing and production could continue. Left ambiguous, however, was how far such activity could go without crossing the line into new and therefore prohibited systems. If either side decided to withdraw from the treaty, it was required to give six months' notice.

SALT I and its consequences

The Interim Agreement on limitation of strategic offensive arms was a series of trade-offs. The Soviet Union accepted the U.S. definition of "strategic" and agreed to postpone discussion of forward-based systems. The U.S. agreed to freeze missile levels (warheads were not limited), allowing the Soviet Union a larger number to make up for what Moscow claimed were the U.S.'s technological and geographical advantages: the Soviet Union kept all of its 2,347 missiles while the U.S. retained its 1,710. This provision made many in the U.S. angry, and Congress passed the Jackson Amendment by a wide margin shortly after ratification of the treaty. The amendment requested the president to "seek a future treaty that. . .would not limit the United States to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union."

The goals the U.S. and U.S.S.R.

pursued in SALT I remain their basic objectives. The Soviets have sought to codify the existing U.S.-Soviet military relationship and to insulate it from U.S. advances. They appear to see agreements that block off whole areas of competition—as in the ABM Treaty—as the best way to accomplish this. They have also shown less interest in limiting U.S. forces than in protecting their own, illustrated by their resistance to making any cuts in their ICBM force in SALT I. And they have continued to insist on the principle of "equality and equal security," demanding compensation for the fact that they face a ring of nuclear-armed adversaries.

The U.S., on the other hand, has sought to adjust the strategic balance by altering the Soviet force structure to align it more closely with the U.S. concept of strategic stability. It has largely failed because this goal would require greater sacrifices from Moscow than from Washington. And, like the U.S.S.R., the U.S. has endeavored to protect its advantage, resisting negotiated limits in areas where it has the lead, as in forward-based aircraft.

A major consequence of SALT I, in the words of one observer, was that "the process was the product." The SALT talks became the centerpiece of Soviet-American relations. Made possible by a warming in the superpower relationship, the talks would serve as a barometer and anchor for that relationship in the future.

The treaty established the Standing Consultative Commission (SCC) to deal with concerns about violations of the treaty. The commission meets behind closed doors, thereby discouraging the parties from public posturing.

SALT I also placed some limits on weapons modernization, with mixed results. For example, the U.S. sought to protect its lead in numbers of warheads by leaving MIRVs out of the discussions. The U.S. soon regretted the omission as the Soviets began adding MIRVs to their arsenal much more quickly than American analysts had predicted they would. Similarly, because the treaty covered only intercontinental-range weapons, both sides were free to continue expanding their intermediate-range forces.

Negotiations on SALT II began in 1972 with the aim of replacing the interim arrangements of SALT I and filling in the gaps. Talks stalled early over the same questions that had precluded a permanent agreement in SALT I: what to include in an agreement, how to count offensive weapons and whether talks could be isolated from other aspects of the U.S.-Soviet relationship.

SALT II

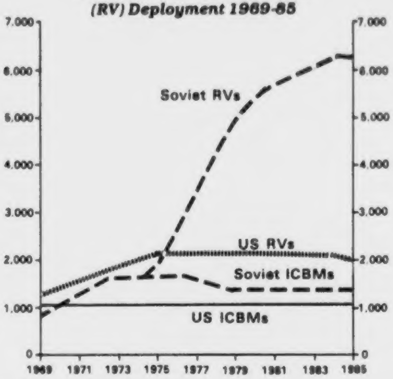
A breakthrough occurred in 1974 when presidents Gerald R. Ford and Leonid I. Brezhnev met at Vladivostok in the U.S.S.R. and signed a protocol that laid the groundwork for future talks. Moscow accepted the principle of equal ceilings (2,400) on launchers and again agreed to drop temporarily its insistence that forward-based systems be covered. The U.S. accepted the 2,400 cap, although it would have liked a lower one. Within that level, each side would be permitted to mix systems as it chose. A ceiling of 1,320 was also set for MIRVed missile launchers, and a freeze placed on throw-weight.*

As the talks plodded along, technical and political developments began to overtake them. The Soviet Union began deploying the Backfire bomber in 1974, a fast intermediate-range aircraft not limited by SALT I but with the potential for longer-range missions; the SS-20 in 1977, an intermediate-range ballistic missile far more advanced than its predecessors, and a new generation of heavy ICBMs. Most worrying for the U.S. was the SS-18, equipped with 10 warheads and carrying a payload* seven to eight times that of the U.S. Minuteman missile. Many in the U.S., including President Nixon's defense secretary, James R. Schlesinger, feared that the Soviets had developed a first-strike capability that could knock out U.S. land-based missiles.

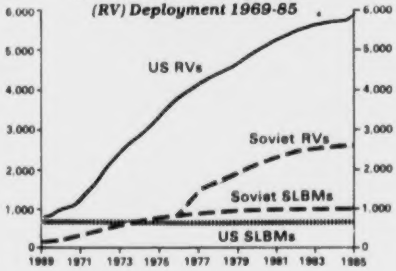
The U.S. continued MIRVing its ICBM force, maintaining its considerable advantage in warheads; expanded its submarine force, which Soviet technology could not begin to match; and began research and development on a number of other projects, including the 10-warhead MX missile. Washington also began considering other nuclear options to deny Moscow confidence that it could "win" a nuclear war and to limit damage to the U.S. in case one should occur.

Political events were also souring the arms control process, as the Soviets began flexing their muscles. In the Middle East, they supported the Arab attack on Israel in the 1973 war, and in Angola and Ethiopia, they backed Cuban proxies in support of revolutionary movements. Such activities fueled concern in the U.S. that the Soviet Union was violating the spirit of détente and threatened U.S. security. The Soviets appeared to be using arms control agreements to restrict U.S. military programs while they forged ahead with their own. They were using their resulting military strength to

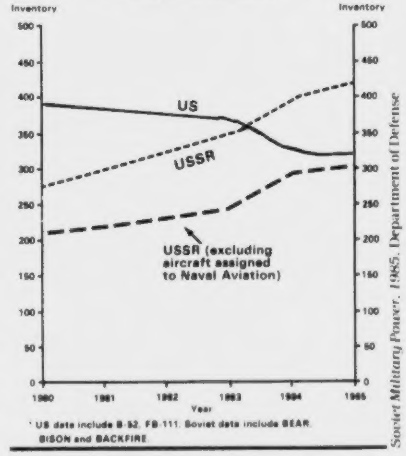
U.S. and Soviet ICBM Launcher and Reentry Vehicle (RV) Deployment 1969-85



U.S. and Soviet SLBM Launcher and Reentry Vehicle (RV) Deployment 1969-85



U.S. and Soviet Intercontinental Capable Bombers¹



¹ US data include B-52, FB-111. Soviet data include BEAR, BISON and BACKFIRE

Soviet Military Power, 1985. Department of Defense score political gains in the Third World.

After long deliberations, SALT II was signed by presidents Carter and Brezhnev at Vienna in 1979. The treaty, which expired December 31, 1985, provided for the numerical limits first agreed to at Vladivostok. It also prohibited the construction of additional ICBM launchers, permitted each side to develop only one "new type" of ICBM, banned adding further warheads to missiles already MIRVed, and limited MIRVing of new missiles to 10 warheads each for ICBMs, 14 for SLBMs. Both sides agreed not to interfere with each other's "national technical means" of verification, meaning their reconnaissance satellites and other tools for monitoring compliance with agreements. Both sides agreed to begin another round of talks to achieve substantial reductions in the numbers of strategic arms and to find ways to deal with the outstanding problems—Backfire, the SS-20, U.S. forward-based systems and the Soviet advantage in throw-weight and megatonnage.

Again, however, political events intervened. The "discovery" (later proven false) of a Soviet combat brigade in Cuba in September 1979 and the Soviet invasion of Afghanistan three months later weakened congressional support for SALT II and led Carter not to pursue Senate ratification. Additional casualties of the worsening political climate were two other agreements awaiting Senate ratification: the 1974 Threshhold Test Ban Treaty which bans underground tests of over 150 kilotons and pledges both sides to continue negotiations toward a comprehensive test ban, which would go far toward preventing the development of new weapons, and the 1976 Peaceful Nuclear Explosions Treaty, which sets similar limits for nonmilitary nuclear explosions. Though unratified, both superpowers have pledged to abide by all three.

Reagan and strategic defense

BY THE END OF THE 1970s, with the SALT process in limbo, a growing number of Americans worried that deterrence was no longer a sound basis of defense, if it ever had been.

Different groups saw different danger signs. Conservatives pointed to the massive Soviet buildup and the increased size, accuracy, reliability and throw-weight of the Soviet arsenal. General Edward Rowny, who had represented the Joint Chiefs of Staff at the SALT II talks, resigned to fight ratification of the treaty. He warned that the U.S. was facing a "window of vulnerability" in the 1980s, during which a Soviet first strike was possible because U.S. land-based forces were theoretically less able to survive a first strike by the new Soviet missiles. Analysts at conservative think-tanks like the Committee on the Present Danger asserted that the Soviets had never accepted the theory of MAD. They warned that the U.S. was only deterring itself from matching the Soviet buildup by adhering to signed agreements, while Moscow prepared to fight and win a nuclear war.

Liberals were also worried. They were dissatisfied with arms control agreements that capped but did not reduce levels of nuclear weapons and alarmed by the worsening political climate between the superpowers. A growing peace movement called for a freeze on all further testing and deployment of nuclear weapons. Others who opposed a freeze nevertheless feared that the shift toward more flexible nuclear options would make war more, rather than less, likely. Many staunch arms control advocates were concerned that the combination of rapidly moving technology and bureaucratic politics was derailing the arms control process, preventing weapons once justified as "bargaining chips" from ever being traded away at the negotiating table.

Ronald Reagan, representing the conservative point of view, won the 1980 presidential election by a landslide and used his victory as a mandate to "rearm America." He was able to win over $1 trillion in funding from Congress for military programs during his first term.

At the same time, public and congressional sentiment favoring a nuclear freeze grew. A freeze resolution was approved by eight states and hundreds of towns and cities on whose ballots it appeared in 1982. The Catholic Church joined the debate in 1983. A pastoral letter questioned the morality of deterrence and concluded that deterrence is permissible only as long as governments are actively pursuing disarmament.

The SDI

Reagan thus managed to address the fears of a broad political spectrum in his landmark speech of March 23, 1983, when he asked ". . .what if free people could live secure in the knowledge that their security did not rest upon the threat of instant U.S. retaliation to deter a Soviet attack; that we could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies?"

The Strategic Defense Initiative Organization opened for business a year later. The President has requested $26 billion for fiscal years (FY) 1986 through 1990 to investigate the feasibility of ballistic missile defense. The ultimate goal of SDI "is to eliminate nuclear weapons entirely." The Administration emphasizes that SDI is a "broad-based research program investigating many technologies" and does not anticipate that "any decision to proceed with development or deployment based on the results of this research" can be made for a number of years.

The flight of an ICBM between the U.S.S.R. and the U.S. takes about 30 minutes and has four distinct phases. Boost, when a missile with all its warheads blasts off, lasts three to five minutes. In post-boost, lasting 10 minutes, a "bus" holding the missiles and warheads maneuvers each to its independent path and releases them. For another 10 minutes or so, in the midcourse phase, warheads and decoys to fool any defensive system speed through space. In the terminal, or reentry stage, which lasts about two minutes, the warheads reenter the atmosphere and explode over their targets.

A defensive system that would keep out the most missiles would be one with four layers, one for each stage of an ICBM's flight, so that a missile that made it through one layer could be destroyed at another.

A layered system would rely on a fleet of satellites (estimates of how many have varied wildly) to detect missile launches, track their many trajectories, differentiate between weapons and decoys, and neutralize the weapons. Some of the satellites could be armed with "directed-energy weapons"—lasers,* x-rays or particle beams* moving at or near the speed of light. Others could hold giant mirrors to reflect laser or particle beams fired from earth back at their targets. In one scheme, antimissile weapons would be held in submarines until warning of a Soviet launch, at which point they would be "popped up" out of the atmosphere to fire an x-ray beam at the offensive missile. Slower "kinetic-energy weapons,"* such as computer-guided "smart rocks," could also be shot toward incoming targets from earth or space.

Estimates of how long this technology will take to develop vary. Directed-energy research is still only in the conceptual stage; work with "smart rocks" has been going on for some time. Proponents say much more will be known within a decade. But critics are doubtful, given the vast technological problems.

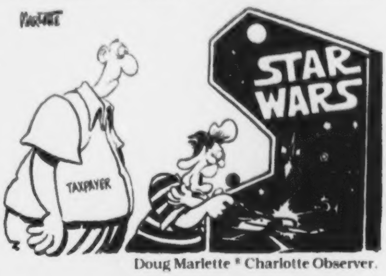
Cost estimates for a working ballistic missile defense system also vary widely, from $60 billion for a fairly crude system to as high as $1 trillion for a full-fledged layered system, including boost-phase defense. Most experts—pro and con—think it is much too early to make an educated guess.

Is SDI a good idea?

The debate over SDI is heated, often acrimonious and almost entirely theoretical. Deterrence is a theory, not a fact, and strategic defense is still in the conceptual stage.

Is strategic defense a good idea? The right way to ask the question, notes expert Ashton B. Carter of the Brookings Institution, is whether it is a good idea for a specific purpose. A ballistic missile defense system could have a variety of objectives. Reagan's original vision was to replace deterrence based on mutual assured destruction with deterrence based on defense, by creating an absolute shield that would protect both population and weapons. Complete protection from ballistic missiles would require an absolutely "leakproof" defense, since even a small percentage of warheads slipping through could destroy whole cities. The technological problems of successfully finding and destroying thousands of weapons in the short time available are such that most experts do not believe complete defense will ever be possible.

The Administration believes that a strategic defense system would not have to be perfect to be worth building and is working toward what it terms "effective defense," to strengthen rather than replace deterrence. "The way to think about SDI," says Arms Control and Disarmament Agency Director Kenneth A. Adelman, "is that you want to diminish any rational Soviet calculation that they can achieve their war objectives by going nuclear." A layered defense system that is less than 100% effective would serve to enhance deterrence by complicating an attacker's plans, forcing him to redesign weapons to get through all four layers, raising the cost of attacking and making it much less likely that the attack would succeed.



Doug Marlette • Charlotte Observer.

"Quick—gimme a hundred twenty billion quarters!"

Critics of this view argue that deterrence is stable enough now—an aggressor knows, even without facing a costly missile defense, that he is far better off not attacking. They point out that historically every defense has been overcome sooner or later by a better offense. A study made public in September 1985 by Congress's Office of Technology Assessment warned that the current "urgent" effort to develop SDI technology would probably encourage the U.S.S.R. to improve and add to its offensive forces and could threaten "the entire arms control process." SDI critics note that the U.S. did exactly that in the 1960s when it responded to the Soviet ABM deployment by MIRVing its missiles. A 1983 report by the Union of Concerned Scientists maintains that relatively cheap decoys would fool even the most sophisticated and expensive defenses. Therefore, it says, spending billions or trillions of dollars on SDI is senseless. ". . .The last thing [the American people] want or need," wrote four former government officials—including a former secretary of defense and a former national security adviser—"is to pay an astronomic bill for a vastly intensified nuclear competition sold to them under a false label."

SDI and the ABM Treaty

Some critics of the President's program note that the U.S. signed the ABM Treaty in 1972 because it believed that ballistic missile defense would make war more rather than less likely, a situation that has not changed. The Office of Technology Assessment report emphasized that if both sides had moderately effective defenses, there would be "an extremely dangerous possibility" of a preemptive attack: the country striking first could eliminate enough of its opponent's forces that its defenses could deal effectively with any retaliatory response. "In an SDI world," concludes James Thomson of the Rand Corporation, "the temptation to go first will increase, unless the defenses are invulnerable."

The Administration believes that technology has progressed enough to warrant a reexamination of strategic defense. Paul H. Nitze, special adviser to the Administration on arms control, emphasizes that before a decision is made to build such a system, it will have to be judged survivable enough to withstand a first strike, and be "cost-effective at the margin"—that is, be less expensive than countermeasures the Soviets would presumably take to overwhelm the system.

The Administration maintains that Soviet activities in strategic defense make a U.S. SDI research program a necessity. The U.S.S.R. has the only operational ABM system in the world, located outside Moscow. It has an active laser development and testing program at Sary Shagan. And it has a large radar at Krasnoyarsk in Siberia, which may be in violation of the ABM Treaty. Analysts note that it is located in the center of the country, not on the periphery (as required by the treaty), and faces up rather than out, possibly to detect incoming missiles. There is disagreement as to how much danger the radar poses to U.S. security, but even many Administration critics admit that it raises questions about Soviet intentions and treaty compliance.

The Administration and most of its critics note that some research on SDI is permitted under the ABM Treaty, and most believe that it should proceed. The dispute concerns the scale of the research: why is so much money being spent if there is no intent, further down the road, to deploy a strategic defense system? And at what point does research become development, which is prohibited by the treaty? The U.S. has historically taken the position that research stops where field testing begins. But in October 1985, national security adviser Robert C. McFarlane said that under a new Administration interpretation, the "treaty does, indeed, sanction research, testing and development of these new systems" (for example, lasers and particle beams not available in 1972). Former ambassador Gerard C. Smith, who was the chief U.S. negotiator of the ABM Treaty, accused the Reagan Administration of "harpooning" the ABM Treaty. Administration officials disagreed publicly over the new interpretation, but in the end, the U.S. reserved the right to test under a permissive interpretation but said it would act in accordance with the traditional restrictive reading of the treaty's terms.

SDI and the allies

The European allies have significant worries about SDI. The U.S. nuclear arsenal is the key component of NATO's strategy of "flexible response," under which the U.S. pledges to use its nuclear weapons to respond to a Soviet attack on Western Europe at whatever level it occurs—conventional to nuclear. Because of their proximity to the Soviet Union, the allies doubt that any defensive system could effectively protect them. West Europeans, according to Christoph Bertram, chief political editor of the West German weekly *Die Zeit*, "are convinced that the U.S. will remain vitally concerned about Europe only if its own survival is at stake." They fear SDI may hurt European security by killing chances for arms control. ". . .Because of its geographical position," says Bertram, Europe "has no alternative to the persistent search for cooperation between East and West," and arms control is a vital part of that cooperation. They are also concerned about the diversion of NATO funds to pay for SDI. The British and French are also worried that a Soviet strategic defense system would neutralize their independent nuclear forces.

The British and West German governments have given at least public support to Reagan's plan and are eager for the technology which the U.S. has promised to share. But a Congressional Research Service study reported that West Europeans are overwhelmingly opposed to actual deployment of a strategic defense system.

ASATs

Although not part of the SDI program, antisatellite weapons (ASATs*) are closely related to the strategic defense question because they operate on similar concepts and technology. A weapon designed to neutralize a satellite could presumably hit other orbiting targets, such as space-based ballistic missile defense components. ASATs, however, are a nearer-term prospect: the Soviet Union already has an operational system and the U.S. expects to have one by 1986. ASATs are not covered by the ABM Treaty.

Satellites play a critical military role. They can spot enemy troop movements, treaty violations and missile launches, and they can quickly send navigational information and other vital messages across long distances. The Soviet Union has called for a moratorium on ASAT testing, but the U.S. is opposed.

The Administration's critics argue that the Soviet ASAT is too rudimentary to pose a serious threat. Their weapon is slow, unable to reach the higher orbits where the most important American intelligence and navigational satellites are located and vulnerable to relatively simple countermeasures. The U.S. system will be faster and more versatile. It will also almost certainly lead to further Soviet ASAT development. In the long run, critics say, the U.S. stands to lose more than the U.S.S.R. in an unbridled ASAT competition because it relies more heavily on its satellites.

The Reagan Administration does not agree that an ASAT ban would be in the U.S. interest. Because any ballistic missile can carry an ASAT, an ASAT ban would not be verifiable without extensive on-site inspection, which the Soviets would almost certainly not allow. ASATs could also be launched from space, so an ASAT ban would be tantamount to a ban on SDI. And any violation of an ASAT treaty would have major military significance. Over an attempt by some members of Congress to block it, the U.S. successfully completed its first ASAT test against a target in space in September 1985.

Geneva and the future

During the summer of 1984, just a few months after the SDI Organization was set up, Moscow proposed negotiations aimed at preventing "the militarization of space." This was the first hint that the Soviets were willing to come back to the negotiating table since they withdrew from the Geneva talks in early 1984. Secretary of State George P. Shultz and Soviet Foreign Minister Andrei Gromyko met in Geneva the following January and agreed to "umbrella" talks, a set of three negotiations on separate but related topics: strategic weapons, intermediate-range forces and defensive weapons.

Most Western observers think that the Soviets saw the negotiations as the most promising way to stop the U.S. SDI program and prevent being bested by superior American technology in a defensive weapons race.

Moscow opened the umbrella talks with a call for a moratorium on deployment of all offensive weapons and a ban on research and testing of space-based defense technology and ASATs. Thereafter it would be prepared to discuss cuts in offensive weapons. The U.S. objected on the grounds that a moratorium would freeze Moscow's advantage, and that a ban on SDI research was not verifiable. The Administration has proposed limiting each side to 5,000 warheads, of which no more than half could be carried by land-based missiles. Washington also wants possible Soviet violations of the ABM Treaty—especially the radar at Krasnoyarsk—discussed and corrected.

In late September 1985, the Soviets proposed that both sides cut their strategic arsenals by 50% and offered to freeze existing levels of intermediate-range weapons. Although the Administration termed the proposal "unbalanced" because it would leave Moscow with greater numbers of missiles, Nitze said the offer contained some useful ideas. Moscow hinted that it would be willing to trade away some of its defensive programs, including the radar at Krasnoyarsk and the laser lab at Sary Shagan, in the context of an overall agreement. The Soviet Union has also suggested through informal channels that it might consider an agreement that would permit basic

SDI research. The two sides are still far apart on specifics.

One poll conducted by *The New York Times* in early 1985 showed that only 30% of Americans believed that the negotiations at Geneva would result in an agreement. Reagan Administration officials caution against optimism in the near term, but think Moscow wants an agreement in the long run.

Whether their assessment is correct will depend in part on the new team in Moscow. Since he succeeded Konstantin U. Chernenko as general secretary in April 1985, Mikhail S. Gorbachev, 54, seems to have shaken the Soviet leadership out of the paralysis that set in during a succession of elderly, sick men. Within his first 100 days in office, he made major changes in the composition of the ruling Politburo, swinging the balance of power away from the remaining members of the Brezhnev generation. He installed Eduard A. Shevardnadze, an unknown with little foreign policy experience, to replace 20-year veteran foreign minister Gromyko. This fueled speculation that he intends to act as his own foreign minister. Many Western observers think he has enough power to make deals at the bargaining table if he wants to, but they also believe that it will take several years for him to consolidate his authority fully.

Gorbachev will face pitfalls along the way, chief among them the sorry state of the Soviet economy. Some think the opportunity to shift funds from military to nonmilitary programs might make him more amenable to signing an arms agreement. But experts disagree whether his probable preoccupation with domestic affairs will make him a more docile or more formidable adversary.

What kind of agreement?

What if no agreement is reached? A congressional study made public in June 1985 noted that the Soviets are in the midst of a major military buildup. If unchecked by treaty limits, Moscow could triple its nuclear stockpile by the 1990s. To arms control opponents, treaty limits have not been an obstacle to the Soviets in the past, only to the U.S. Proponents disagree, noting that Moscow has never exceeded any major treaty limits. The direction of Soviet policy may become clearer at the 27th Communist Party Congress in February 1986.

Reagan and Gorbachev at Geneva in November 1985 agreed to step up arms negotiations.

Long-time negotiator Nitze emphasizes that "the object of arms control negotiations is to support foreign policy and security policy by negotiating agreements that will contribute to reducing the risk of war, primarily the risk of nuclear war." A good arms control agreement may perform other functions, such as slowing or reversing the arms race, saving money, or providing the foundation for better East-West relations. But reducing the chances of nuclear war, Nitze and most other arms control experts agree, must be an agreement's primary purpose.

Beyond that, there is widespread disagreement. Conservatives tend to argue that the U.S. should build up its military strength because the Soviet leadership only respects power. Once U.S. military strength is assured, arms control can follow. Liberals, on the other hand, tend to argue that arms control is in the best interests of both sides. A U.S. military buildup is highly provocative to the Soviets, forces them to take countermeasures and thus perpetuates the arms race and increases the risk of nuclear war. The Reagan Administration's position is that arms control is only one element of U.S. security policy, and is "not a substitute or replacement for adequate defenses."

Who is right? Can the U.S. and the Soviet Union reach a satisfactory agreement at Geneva? Although SDI is not the only issue being considered, most observers expect it to play a pivotal role in determining how much progress is made in other areas.

The U.S. should:

■ 1. Proceed with SDI, including deployment if and when it becomes feasible, even if it means forgoing an arms control agreement. A leakproof defense is impossible, but even a partial defense can complicate the Soviets' calculations by raising the costs and uncertainties of a nuclear attack, thus strengthening deterrence. At that point, it will be easier to negotiate reductions in offensive weapons. Such an opportunity should not be lost or traded away.

■ 2. Limit SDI negotiations to the question of development, testing and deployment. Proceed with research on SDI since research violates no treaty and cannot be monitored, but be willing to negotiate a ban on testing and deployment in return for significant Soviet reductions in offensive weapons. It is these weapons that are of greatest concern to the U.S., and if trading away the uncertain and costly benefits of strategic defense can accomplish this it will be well worth it. Toward this end, the U.S. should renounce the new permissive interpretation of the ABM Treaty because it is of doubtful legality and undermines a valuable arms control agreement.

■ 3. Scale down SDI in the interest of a broad arms control agreement. The Soviets have indicated that they are willing to make substantial cuts in offensive forces if the U.S. will limit its SDI program to basic research. In order to achieve an arms control agreement with the Soviet Union, the U.S. should scale down the SDI program enough to satisfy the Soviets that it is not planning a large-scale deployment. This will clear the way for progress in the talks on offensive weapons. The U.S. should substantially lower the amount of funding for SDI in order to send Moscow a clear signal of its intentions.

* * *

For now the "Star Wars" issue seems to block progress on all other questions at Geneva. It remains to be seen how—or if—the U.S. and U.S.S.R. will get around it.

2 **OPINION BALLOT on page 89** ▸

FOR DISCUSSION

1. Many at both ends of the political spectrum believe that deterrence by threat of mutual assured destruction is immoral because it risks the lives of so many—and possibly life itself. Others believe that it is "the worst possible strategy—except for all the others" and that it appears to have kept the peace. What do you think? Is it moral to threaten the unacceptable in order to prevent its occurrence? Would it be moral to move away from deterrence before we find something we are sure will work as well or better?

2. Few experts, either those who favor SDI or those who oppose it, believe it will ever be possible to devise a fully "leakproof" strategic defense system. Do you think SDI research should nevertheless continue? Give the reasons for your conclusions.

3. Many conservatives and liberals alike believe the Soviet Union has cheated on past arms control agreements, although they are divided as to how serious the violations are. If that is the case, should we continue to negotiate another agreement with the Soviet Union? Why or why not? What are the dangers of doing so or not doing so?

4. How do you think the Soviets will respond if the U.S. deploys a ballistic missile defense system?

5. Do you think a nuclear war is more or less likely now than it was 10 years ago? Why?

6. In the past, arms control has not fared well when other aspects of the U.S.-Soviet relationship were troubled. Should the U.S. link progress in arms control to Soviet actions in other areas?

7. On balance, do you think arms control has been a success, a failure, or somewhere in the middle? Have we placed too much emphasis on it in the past, or not enough? Are there more realistic objectives?

8. The world saw the kind of massive destruction nuclear weapons can cause at Hiroshima. What are some of the other factors that make nuclear weapons so much more dangerous than traditional weapons? How have these changed the ways in which policymakers think about war?

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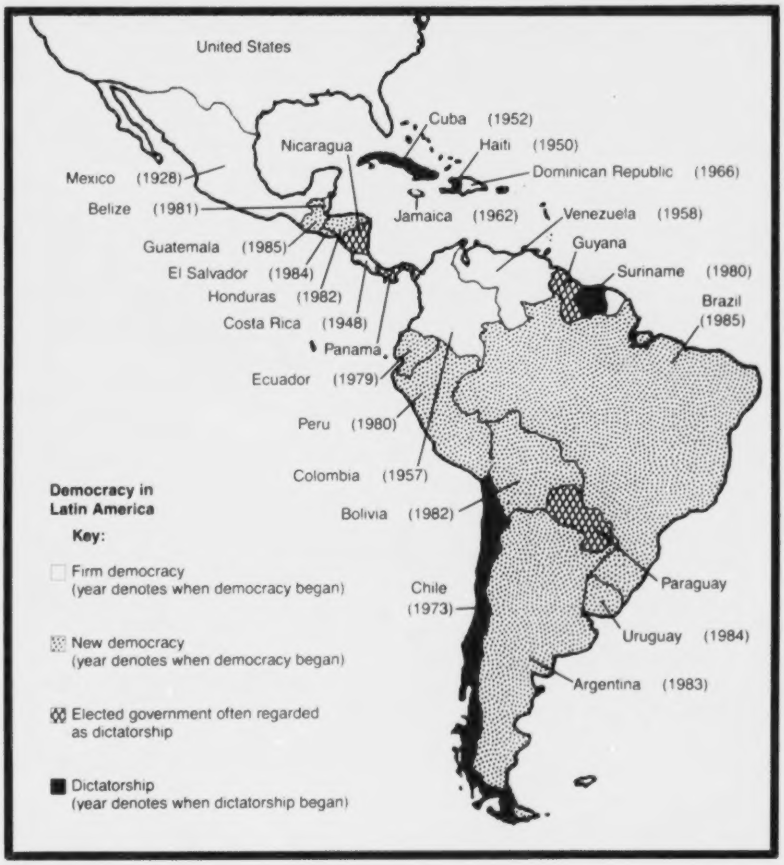
For further in-depth reading, write for the GREAT DECISIONS '86 *Bibliography (see page 2).*

ILLUSTRATION CREDITS: pp. 15 and 23, AP/Wide World Photos.

3 Democracy in Latin America

FOCUS ON ARGENTINA AND BRAZIL


United States
Cuba (1952)
Haiti (1950)
Dominican Republic (1966)
Nicaragua
Mexico (1928)
Belize (1981)
Jamaica (1962)
Venezuela (1958)
Guyana
Guatemala (1985)
El Salvador (1984)
Suriname (1980)
Honduras (1982)
Brazil (1985)
Costa Rica (1948)
Panama
Ecuador (1979)
Peru (1980)
Colombia (1957)
Democracy in Latin America
Key:
Bolivia (1982)
☐ Firm democracy (year denotes when democracy began)
Chile (1973)
Paraguay
▨ New democracy (year denotes when democracy began)
Uruguay (1984)
Argentina (1983)
▩ Elected government often regarded as dictatorship
■ Dictatorship (year denotes when dictatorship began)

In the 1980s, popular demands for democracy picked up momentum in South America. Since 1979, six countries have repudiated military rule—Ecuador, Peru, Bolivia, Argentina, Uruguay and Brazil. They joined Venezuela and Colombia, which have been democratic since the late 1950s. Today, only Chile and Paraguay and two small states in the northeast, Guyana and Suriname, still have authoritarian governments. The political trend is clearly democratic. However, many observers fear that should the new democracies fail to provide their people with material gains in the near future, social peace will unravel and military rule will return.

Unlike Central America and the Caribbean, South America has not been hospitable to left-wing politics. More often, democratic governments have alternated with right-wing military regimes.

Two major milestones in the recent democratic sweep of South America are the elections of Raúl Alfonsin as president of Argentina in October 1983 and Tancredo Neves as president of Brazil in January 1985. In both cases, military regimes had voluntarily handed over power to civilians. World attention focused especially on Argentina, where democratic governments have repeatedly been replaced by military rule for over half a century. Would things be any different under Alfonsin? Would the new democracy take root?

Brazil occupies almost half of South America's landmass and supports half its population—134 million. It shares borders with all but two countries in South America. A newly industrializing country, it produces over one third of the continent's total wealth. Argentina, the second largest country on the continent (and eighth largest in the world), with a population of close to 30 million, has immense resources and the potential to become an important economic power. It is the granary of South America and the largest exporter of livestock.

The return to democracy by South America's two major powers has raised great expectations among the peoples of that continent. The question is, can these expectations be met? The countries' financial situations are in perilous shape. Strong economic growth in the 1960s and 1970s in Brazil was abruptly followed by a foreign debt crisis of unprecedented dimensions. Due primarily to heavy borrowing from abroad, Brazil ran up a debt that now amounts to an estimated $104 billion. Argentina's economic decline began in the early 1970s. Today it has an estimated debt of $51 billion. There seems to be no short-term prospect that the two countries can both repay their debts and expand their economies. Brazil's president José Sarney warned the United Nations General Assembly in September 1985, "Brazil will not pay its foreign debt with recession, not with unemployment, nor with hunger."

Where does the U.S. fit in? In recent years, it has kept a low profile in South America. Relations with Brazil have traditionally been warm, those with Argentina, more distant. Ties between the three countries are now better than they have been for a long time. The U.S. welcomed the return of democracy, noting that democracy is the best guarantor of human rights, political stability at home and peace abroad.

The main dispute between the U.S. and the two South American democracies has been over the U.S. role in resolving economic problems. South Americans would like the U.S. to use its considerable influence with international bankers to ease their crippling debt burden. Also, they would like to see the U.S. lower tariffs and quotas on their exports.

The U.S. in recent years has been preoccupied with Central America and the Caribbean. Should it not give sustained attention in the future to South America? Countries such as Argentina and Brazil have much to offer besides friendship. They are strategically located in the South Atlantic, they are important markets for U.S. exports, and they are major actors in Latin America.

The colonial legacy

Although the South American countries, like the U.S., were once European colonies, their heritage is very different. Spain conquered the Aztecs, who lived in what is present-day Mexico, and the Incas, who lived in what is present-day Peru, and together with Portugal carved the South American continent into colonial empires that lasted into the early 19th century.

Brazil, discovered by Portugal in 1500, and Argentina, discovered by Spain in 1516, lacked precious metals and were consequently low-priority colonies. They had instead great agricultural wealth, notably sugar in Brazil and cattle in Argentina. Both also lacked the large Indian populations found elsewhere which could provide a ready supply of labor. Brazil therefore imported slaves from Africa, and both countries encouraged European immigration.

Colonial status might have continued much longer in South America had it not been for events in Europe. The invasion of the Iberian peninsula by Napoleon in 1807 led to a political crisis in the colonies. Argentina refused to recognize the new Spanish government and declared its independence in 1816. The Portuguese royal family temporarily fled to Brazil; after they returned to Europe the regent established an independent Brazilian monarchy in 1822. The last emperor was overthrown in 1889, and Brazil was proclaimed a republic.

From the 1880s on, the economies of Brazil and Argentina were increasingly linked to the economies of Europe and North America. Britain, Argentina's principal customer, supplied most of the capital to build railroads, ports and other infrastructure, and southern Europeans, primarily Italians and Spanish, provided the labor. Brazil likewise sought foreign investment, and despite the availability of local labor, paid Europeans (mainly Italians) to move there and take the better jobs.

A Europe made prosperous by the Industrial Revolution had a strong demand for South America's agricultural products. Brazil exported sugar, rubber and coffee (in 1901 it provided nearly three quarters of the world supply), and Argentina supplied beef, wool and wheat. With the income from exports, Argentina and Brazil bought European manufactured goods. This reliance on European and later U.S. industry sowed the seeds of economic dependency that some scholars view as the root of 20th-century Latin America's economic and political problems.

Economic prosperity in the first decades of this century was accompanied by the rapid growth of cities. Buenos Aires was known as the "Paris of South America." (The tango originated there before World War I.) European immigration was particularly important for Argentina, where immigrants constituted 30% of the Argentine population by 1914. In Brazil, even in 1900 when immigration was at a peak, immigrants only made up about 6% of the population. Today Argentina is largely white; Brazil, according to varying estimates, is 45-65% nonwhite.

Prosperity ended with the economic crash of 1929 and the Great Depression. European and U.S. markets for Brazilian and Argentine products dried up and foreign investment declined. Economic collapse was accompanied by political upheaval; in 1930, both countries experienced military coups. It was a pattern that would be repeated.

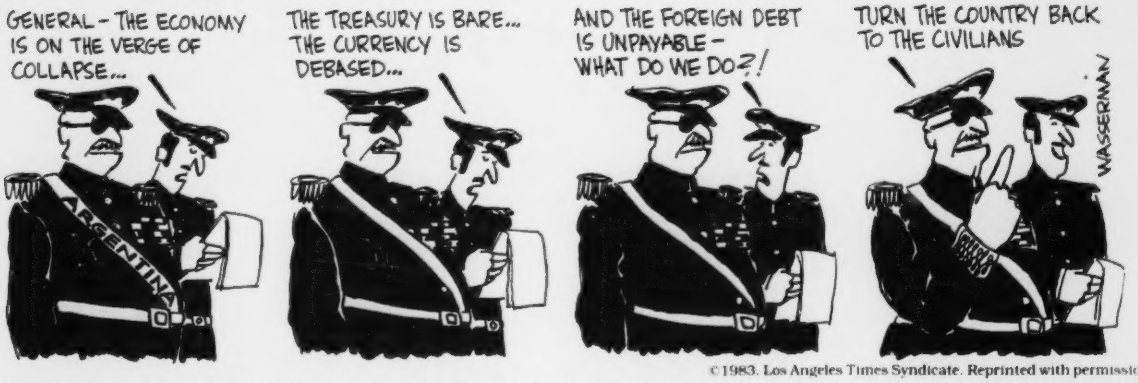
Authoritarianism and democracy

THE GROWTH OF democracy in Argentina has been slow and irregular. Beginning with the first democratic government in 1916, the disenfranchised were gradually brought into the political process. By 1930 the electorate had doubled, but women and many male immigrants were excluded, and there was no place in party politics for the working class or the professional military.

The military have traditionally played a special role in Argentina. Beginning in the 1870s the military forces were trained in their own European-style academies. They had an abundant supply of recruits—poor immigrants who saw service in the army and navy as an important source of social mobility. Promotions for the most part were based on merit. In 1930 the military, worried by the economic decline and disgusted by infighting that threatened the stability of the political system, overturned the government and ran the country for the next 16 years.

By 1945 it was labor's turn to flex its muscle. Wooed by Juan Domingo Perón, labor joined a populist alliance that swept him to power in 1946. Perón fashioned a personality cult around himself and his young wife Eva (Evita). He gave the working class wage increases and social welfare benefits—and a sense of social dignity. But he used the unions to enforce his will, and although he claimed to adhere to democratic principles, he ruled like a dictator.

In the early 1950s Perón relaxed economic controls but tightened his political grip. As social tension mounted, Perón's popularity waned, his industrial policies faltered and his efforts to weaken the power of the Church backfired. His wife, Evita, died in 1952. In 1955 the military,


GENERAL - THE ECONOMY IS ON THE VERGE OF COLLAPSE...
THE TREASURY IS BARE... THE CURRENCY IS DEBASED...
AND THE FOREIGN DEBT IS UNPAYABLE - WHAT DO WE DO?!
TURN THE COUNTRY BACK TO THE CIVILIANS
ARGENTINA
WASSERMAN

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fed up, took over, and Perón fled to Spain. Although the man had departed, Peronism survived—an enduring myth and a populist-nationalist movement which attracted adherents from across the political spectrum.

The military returned to the barracks in 1958 but closely monitored the political situation and reemerged in 1962, 1966 and 1971 to depose elected presidents. In 1973 an aged Perón was summoned back from exile and reelected one last time. He died before a year was out, and was succeeded by the vice-president, his second wife, Isabel. Unable to control mounting political terrorism or improve the faltering economy (inflation had reached almost 1,000%), Isabel Perón was replaced by General Jorge Rafael Videla in 1976.

Videla's government cracked down mercilessly on the left-wing guerrillas and by 1978 crushed them. But in the process an estimated 9,000 Argentines "disappeared," presumably killed by security forces. This campaign, known as the "dirty war," left a dark blot on the national psyche that has not yet been removed. Only since Alfonsín came to power has the painful subject been publicly aired and the full extent of the disappearances and tortures revealed. Alfonsín is reluctant to move too far too fast and has only prosecuted the nine members of the three juntas that ruled from 1976 to 1982. This in itself is unprecedented in Latin America, where amnesty for the military is the rule. The nine went on trial in civilian courts in April 1985. As the prosecutor summed up the case for the state, he acknowledged that the guerrillas kidnapped, tortured and killed, but added, "The state did the same but on a much greater scale and beyond the margin of the judiciary system that the military itself had established. I will sum up the state's response to the subversion in three words: ferocious, clandestine and cowardly."

The military admit no wrongdoing. They are proud of their victory against the terrorists, and have opened a Museum of Subversion in Buenos Aires, glorifying their role. As an army colonel pointed out, "There wasn't an alternative. It was a question of doing what had to be done or running up the red flag."

Already discredited by a deepening economic crisis, the military suffered further damage as a result of the unsuccessful invasion of the British-held Falkland Islands (claimed by Argentina and known by it as the Islas Malvinas) in April 1982. General Leopoldo Galtieri's government collapsed, and his successor, Reynaldo Bignone, paved the way for the election in October 1983 of Radical party candidate Raúl Alfonsín as president.

Alfonsín's agenda

Alfonsín is popularly acclaimed for restoring democracy. It is not an easy task. Decades of acrimony and distrust mark relations between military and civilians. "The general public. . .looked on each of the half dozen civilian instances of the last 30 years with suspicion," according to Andrew Graham-Yooll, former news editor at the *Buenos Aires Herald*. "They were seen as a military-made expedient to get out of government each time the generals failed in their administration of the country."

Because Alfonsín was elected in free and honest elections, he has political legitimacy in his favor. He also has charisma unmatched since the days of Perón. "This president is a pragmatic dreamer. He does not want to forget the Argentine dream that motivated him in his youth: he does not want to Latinize his strategy with impossible goals, exaggerated slogans, unrealistic objectives," says Jacobo Timerman, the Argentine newspaper publisher who was imprisoned by the military from 1977-79, moved to Israel and returned after Alfonsín's election.

But Alfonsín faces serious problems, including an ailing economy and a social fabric severely strained by the excesses of the dirty war and the Falklands campaign.

The future role of the military is a major issue in Argentine politics. Alfonsín is intent on disciplining those responsible for excesses, but the military are still politically influential. They see themselves as the guarantors of the country's morality, and many of their countrymen may agree.

Alfonsín has also curbed the military's prominent role in the economy, particularly in the national airline, oil company and steel mills. One of his first acts was to try to loosen military control of Fabricaciones Militares, the state industrial complex that is the largest employer in the country.

The military are not Alfonsín's only political headache. Peronism is another. Although Alfonsín defeated the Peronist candidate by a solid margin, 52% to 40%, Peronists control the majority of provincial governments, albeit the smaller and poorer ones. The party, however, is now badly split, without a leader since Isabel Perón resigned in February 1985. But the Peronists can make trouble for Alfonsín. When the president announced a dramatic economic reform program in June 1985 (see next page), Peronists protested that the new austerity measures hit workers hardest.

On October 25, Alfonsín imposed a 60-day state of siege to strengthen the government's hand in fighting right-wing violence. (Argentines lived under a state of siege for nine

Economic morass

Military intervention in Latin America has frequently coincided with economic crisis. In both Argentina and Brazil there was a major increase in inflation before the most recent interventions—the inflation rate was 92% in Brazil in 1964 and 443% in Argentina in 1976. There has also typically been a general economic slowdown.

Argentina

Argentina is one of the wealthiest countries in Latin America and, after the U.S. and Canada, has the highest standard of living in the Western Hemisphere. But due to decades of political and economic instability, the country's promise has not been realized.

When Alfonsín took office in 1983, he inherited an economy in recession and a foreign debt of over $46 billion. At the start of his administration, Alfonsín announced three economic goals—lower inflation, higher wages and revived growth. Unfortunately, these goals were incompatible. The government kept increasing salaries ahead of inflation, which rose dramatically. "Our weekend inflation rate is your [the U.S.'s] yearly inflation rate," explained one Argentine economist. Due to low interest rates, many Argentines withdrew money from banks. Price controls led to shortages of consumer goods.

Alfonsín demanded easier credit terms from foreign banks on the grounds that Argentina, as a democracy, deserved them. He struck a nationalist posture, putting off a bailout agreement with the IMF as long as possible. Finally, however, he agreed to an austerity program, but Argentina could not comply. In February 1985 the IMF cut off credit. International bankers regarded Argentina as their biggest headache. They believed that Argentines were living too well—beef, for example, cost 60¢ a pound—and were unwilling to make sacrifices. As a bank economist said in the spring of 1985, "This country of all countries has the ability to pay its debts. But so far it hasn't had the political will."

Economic conditions continued to deteriorate. By the summer of 1985, the debt had reached almost $50 billion, and the government concluded that only a bold plan could succeed. On June 14, 1985, the president announced a radical new economic policy: wage and price controls and drastically reduced interest rates. The government also promised not to print new currency not backed by reserves, forcing the Treasury to cut its deficit and stop relying on financing from the central bank. It introduced a new currency called the austral (worth $1.25), which was exchanged at the rate of 1 austral for 1,000 old pesos. The government has also attempted to stimulate exports by sharply reducing taxes.

The plan was well received by the international community. The U.S. and other countries put together a $483 million bridge loan so the country could avoid default. The IMF revived its $1.4 billion standby loan and commercial banks agreed to provide $4.2 billion in new funds.

There has been strong public acceptance of the plan in Argentina, despite the fact that the standard of living has fallen for many. Labor unions have protested the wage freeze and layoffs, but a national strike last August had limited support. The economy shows signs of improvement. The monthly inflation rate tumbled to 2% in September. The question now is how long Argentines will be willing to wait for their standard of living to improve.

Brazil

Brazil is geographically diverse and rich in natural resources, especially minerals. It is the third leading producer of hydroelectric power. The biggest coffee exporter in the world, it also exports large amounts of cocoa, soybeans, orange juice, meat and sugar. Brazil has a well-developed industrial base, producing steel, chemicals and motor vehicles, as well as consumer goods. One of the strongest sectors of the economy is arms sales. Brazil is currently the world's fifth largest arms exporter.

Two decades ago Brazil was considered a model for Third World development; today it is burdened with the developing world's largest debt. The economic "miracle" began to go bad after the 1973-74 oil shock, when the price of petroleum quadrupled. Brazil at that time imported more than 80% of its oil. It was industrializing fast, and decided to borrow to pay for its imports so as not to slow its growth.

Brazil's debt burgeoned from some $9 billion in 1972 to $102 billion in 1984. Although it formerly had enjoyed a good reputation in banking circles, since late 1982 Brazil has been in almost continuous negotiation with the IMF. In December of that year, Brazil signed the first of several agreements with the Fund on an austerity program. However, Brazil has repeatedly failed to live up to them.

Still, Brazil has managed to boost exports and reduce reliance on imports. A trade surplus in 1983 of $6.5 billion was followed by a $13 billion surplus in 1984, and an estimated trade surplus of $12.5 billion in 1985.

This progress, however, was gained by workers' sacrifices, especially during the "miracle years." Joblessness is a serious problem, and many workers have only part-time jobs. The United Nations Children's Fund estimates that 10 million children have been abandoned to live on the street, and some social workers say the number is twice this.

In July 1985, the president announced an austerity plan to reduce three-digit inflation and cut expenditures. The $6.5 billion plan could cost 200,000 jobs and sideline 20 major projects. Even so, *The Economist* (London) magazine called Sarney's spending cuts inadequate, and noted that subsidies for food and oil should be phased out and wages held down. The finance minister and central bank governor both resigned, saying the country needed stricter austerity.

Before the IMF could react to the plan, Sarney announced he wanted to defer agreement with the Fund: economic growth was imperative, and austerity would have to take a back seat. Sarney said that "what we want above all is for that growth to produce social dividends." Critics feared that Sarney's strategy, like that of Alfonsín initially, would lead to galloping inflation and economic paralysis.

years prior to Alfonsín's election.) A Radical party member said, "It is the first time that the state of siege is imposed to defend and not to attack the people."

The state of siege was widely interpreted as the government's way of showing it was in control as the country prepared to go to the polls. In the November 3 congressional elections, Alfonsín's Radical party won 43% of the national vote, which assured a solid victory but not the overwhelming mandate it had hoped for. The Peronist faction associated with union bosses was repudiated in favor of the "reform" Peronists. So far the public has rallied behind Alfonsín, but no one knows how long the honeymoon will last.

Brazil's road to democracy

Brazil's first republic came to an end in 1930 when the military installed Getúlio Vargas as president. Vargas imposed a virtual dictatorship in 1937, ending the sharp polarization that had arisen between left- and right-wing political alliances. He banned nationwide unions, cracked down on subversives and reduced state autonomy. He also established elementary education and public health programs, and set up an extensive welfare system.

Toward the end of World War II, Vargas tried to accommodate the growing labor movement, as Perón was doing in Argentina. But his authoritarian rule faced growing opposition. In the wake of the defeat of fascism in Europe, there was a ground swell of support for a return to democracy. Though Vargas promised free elections, the military did not trust him and he was ousted in 1945.

A Constituent Assembly was elected, and in 1946 it produced a new constitution guaranteeing individual liberties. There was a brief outburst of leftist activity, with Communists showing strength in the largest cities, but it was suppressed in 1947.

The period of the Second Republic (1946-64) was one of weak political parties led by politicians who were more concerned with paying off constituents than in running programs for the good of the country. Parties founded by Vargas won three of the four elections held during this period. Vargas himself was reelected president in 1950; he committed suicide in August 1954. The one outstanding president was Juscelino Kubitschek (1956-61); he attempted "50 years of progress in 5," and built a new capital, Brasília.

The inauguration of leftist President João Goulart in 1961 frightened many members of the upper and middle classes and foreign investors. The reforms he advocated for the benefit of peasants and workers threatened their interests. Moreover, he could not adhere to the economic stabilization program worked out with the International Monetary Fund (IMF or the Fund). As the economic crisis deepened, the Brazilian military stepped in. Although the military had intervened in Brazilian politics many times before, this coup was different: the military under General Humberto Castello Branco assumed direct control of the government for the first time since the 1890s. They remained in power for 21 years.

Castello Branco (1964-67) succeeded in stabilizing the economy by reducing inflation, improving the balance of payments and overhauling major economic institutions such as the central bank. He was helped by a favorable global economic environment. Foreigners were eager to invest in Brazil, and industrial countries welcomed Brazilian exports. This led to the "Brazilian miracle" of 1968-74, a time when the annual growth rate averaged 10% and exports more than quadrupled. (For the first time, the value of exported manufactured goods was greater than that of coffee.)

A Rio de Janeiro slum: despite Brazil's wealth, millions live in poverty.

Economic Indicators for Brazil and Argentina

	External debt (billions of U.S. dollars)	Gross domestic product (growth rate in percent)	Inflation rate[a] (change in price level in percent)	Trade surplus[b] (billions of U.S. dollars)
Brazil				
1983	93.6	−3.2	211.0	6.5
1984	102.0	4.5	223.8	13.1
1985 (est.)	103.7	6.0	215.0	12.5
Argentina				
1983	46.0	3.1	433.7	3.7
1984	47.8	2.0	688.0	4.0
1985 (est.)	50.8	−4.0	425.0	4.0

[a] General price index at year-end

[b] Balance-of-payments basis at seasonally adjusted annual rates

Source: Morgan Guaranty Trust Co.

This growth depended, however, on favoritism for foreign companies, the redistribution of wealth at the expense of the poor, the suppression of labor unions and low wages. These economic policies led to growing popular dissatisfaction and the emergence of leftist opposition groups. After an initial period of tolerance, the army cracked down on the dissidents and by 1973 had crushed them. There was less cost in lives and fewer human rights abuses than in Argentina's antiterrorist campaign, but the repression is still not forgotten.

Return to democracy

General Ernesto Geisel (1974-79) began the process of *abertura* ("opening"), or political liberalization, that was continued by his successor, President João Figueiredo (1979-85). In 1979 Figueiredo decreed a political amnesty that applied to the politicians on the left, the guerrillas and the security forces. He also expanded press and media freedom.

Congressional, state and municipal elections were held in November 1982. The military-favored party, the

Social Democrats, won in the peripheral regions, but the more-liberal opposition parties, including the Brazilian Democratic Movement, scored solid gains in the important states of Rio de Janeiro, São Paulo and Minas Gerais. Although the military were not ready for a direct presidential election, they did permit the 686-member electoral college to meet in January 1985 and select the president. It chose civilian Tancredo Neves.

Neves, 75, had been the governor of Minas Gerais, and was regarded as the most experienced politician in the country. He embodied the nation's yearning for democracy. What did he have in mind for Brazil's future? He said, "Essentially, my four years as Brazil's president will be dedicated to the peaceful transition—socially, politically, and economically—to a free, responsible, and just society to which all and not only a few Brazilians may feel that they belong." Brazilians were stunned by Neves' illness just before his inauguration. He died on April 21, 1985, and José Sarney, his vice-president-elect, was sworn in.

Sarney, 55, a former senator and governor of a minor northwestern province, is better known as a journalist and writer. (Publication of his new "spicy romance" was cancelled when he became president.) He took office without a strong political base in Congress. Many of Neves' supporters distrusted him because of his previous ties to the military government.

Sarney, who has a six-year term, is still trying to build this base. He restored universal suffrage and held municipal elections in November 1985. A constitutional convention, to be held in 1987, will be charged with writing a new constitution and setting a date for the next presidential election. Sarney also pushed through a land reform law which, if implemented, would benefit peasant farmers at the expense of large landowners.

Since restrictions on political parties were lifted, there has been an explosion of 25 new parties (compared with 13 before 1964 and 2 under military rule before 1979). But it is not clear yet if these parties will be any different from those in the past. "Political parties do not enjoy public credibility, and the standing of Congress is even worse," according to Aspásia Alcântara de Camargo, a Brazilian scholar.

Democratic politics in Brazil, as in most of South America, differ considerably from the U.S. model which is firmly anchored in a strong constitution. Brazil's political parties revolve to a considerable extent around individuals and regional interests. Brazil is a hierarchical society that is accustomed to rule by the elite, according to expert Riordan Roett. The large and diverse nature of the country has made for little national political integration.

Uneasy neighbors

Aside from a recent return to democratic government, Brazil and Argentina have little in common. Historically relations between the two have been marked more by antagonism than by friendship. As the only Portuguese-speaking country in Latin America, Brazil is to some extent estranged from the rest of the continent. Argentina, too, considers itself a country apart, with a special destiny to lead the Americas. A feeling of superiority on the part of Argentines is frequently noted. As Edward Schumacher, former *New York Times* correspondent in Argentina, commented, "The litany of upper- and middle-class Argentines that 'We're Europeans, not Latins' carries a distinctly condescending tone that has made Argentines resented throughout Latin America."

Despite Brazil's size, it was traditionally suspicious of Argentina and viewed it as a state bent on expansion. To counter the Argentine threat, Brazil built a "special relationship" with the U.S. in the first half of this century. During both world wars, Brazil was allied with the U.S. while Argentina was officially neutral.

Apprehension over each other's nuclear plans has been a major source of tension between Brazil and Argentina. Argentina built the first nuclear power plant in Latin America in 1974; Brazil responded the following year by contracting with West Germany to build eight plants. The rivalry quickened when, in 1983, Argentina revealed it had an enrichment plant capable of producing weapons-grade uranium.

In recent years, however, there has been a marked improvement in relations. The end of Brazil's special relationship with the U.S. in the early 1960s removed a major irritant. Argentina also welcomed Brazil's support in the Falklands conflict. The exchange of state visits by Brazilian President Figueiredo and Argentine President Videla in 1980 lifted a psychological barrier.

In March 1985 the two countries reportedly achieved a breakthrough by agreeing to allow mutual inspection of their nuclear facilities. President Alfonsín later said, "We have decided not to build the bomb. . . . We want a Latin America without atomic bombs."

Inter-American relations

HISTORICALLY, the cornerstone of U.S. Latin American policy was the Monroe Doctrine of 1823, which put European powers on notice that their days of colonial intervention in the Americas were over. Actually, at the time, the U.S. was more concerned with building a nation than pursuing a foreign policy it could not have enforced. U.S. involvement in the Western Hemisphere has always focused primarily on Central America and the Caribbean. The U.S. went to war with Mexico over Texas (1846-48), and with Spain over Cuba (1898). Construction of the Panama Canal, which opened in 1914, symbolized U.S. hegemony over Latin America. Protection of the new Canal became a paramount concern, and instability in the region served as justification for U.S. military intervention in several Central American and Caribbean countries in the early decades of this century.

In the interwar period U.S. businessmen invested heavily in Latin America, especially in electric power, railroads, bananas, sugar, oil and minerals; by 1929 about 20% of all U.S. exports went to this region. (Argentine writer Manuel Ugarte complained in the mid-1920s that the

Argentina's President Alfonsín

U.S. annexed wealth rather than territory.) This investment led to Latin American resentment since many key decisions that affected their economies were made abroad.

Under the Administration of President Franklin D. Roosevelt, the U.S. ruled out military intervention in the region, although it did not exclude the use of political and economic pressure. This was the essence of Roosevelt's Good Neighbor policy, announced in 1933. The U.S. pledged to be a neighbor who respects the rights of others, and held out the promise that mutual consultation would be the hallmark of future relations. As Roosevelt said, "Give them a share. They think they are just as good as we are, and many of them are."

In the 1930s, political tension in Europe spilled over into South America, with governments in Italy and Germany seeking to attract support from their former countrymen. The U.S., increasingly concerned about containing fascism, sought to strengthen ties with Latin American countries. It was successful in the case of Brazil, but viewed Argentine "neutrality" during World War II as veiled support for the Axis powers.

After the war U.S. prestige was high in Latin American countries, which looked forward to increased U.S. financial aid. They were disappointed when the U.S. turned to rebuilding Europe and Japan and neglected its neighbors. In Latin American eyes, U.S. policymakers continued to take them for granted.

The cold war rekindled U.S. interest in the region. In 1947, the U.S. joined Latin American countries in a defensive military alliance known as the Rio Pact. This pact defined an attack on any American state as an attack on all and required signatories to come to each other's aid. The Organization of American States (OAS) was established in 1948 to promote hemispheric cooperation, maintain peace and defend the territorial sovereignty of states.

Concern over possible Communist penetration led the U.S. to sign bilateral mutual defense assistance pacts with 10 Latin American countries between 1952 and 1954 (including Brazil, but not Argentina). The U.S. also demonstrated that it was prepared to intervene in internal affairs if it felt its interests threatened. In 1954, the Central Intelligence Agency assisted the military group that ousted the Arbenz government in Guatemala.

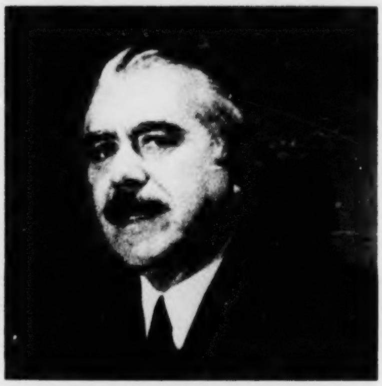
In the 1950s nationalism was on the rise, and Latin Americans frequently blamed the U.S. for such problems as poverty and unemployment. Within Latin America, U.S. backing for anti-Communist dictators was most unpopular and anti-American sentiment led to riots against Vice President Richard M. Nixon during a 1958 visit.

There were differences over economic policy. The Economic Commission for Latin America (ECLA), a UN agency that the Eisenhower Administration considered hostile to private business, convinced many Latin American economists that, as food and raw material exporters, their countries were discriminated against by the industrialized world. To protect their prices, they should form commodity cartels and at the same time reduce their dependence on imports by industrializing.

Alliance for Progress

Brazilian President Kubitschek unsuccessfully tried to convince President Dwight D. Eisenhower to extend social and economic development aid to Latin America. Eisenhower responded that attracting private capital was the answer to economic development, and that the real menace to the Western Hemisphere was Communist subversion.

Fidel Castro's revolution in Cuba in 1959 and his embrace of communism alarmed Washington and prompted it to come to the economic aid of its neighbors. The U.S. agreed in 1959, after long resistance, to help fund the Inter-American Development Bank. President John F. Kennedy called for an Alliance for Progress in 1961 "to help the Latin American people help themselves." From 1962 to 1983 U.S. economic and military assistance to Brazil totaled $2.6 billion; to Argentina, $448 million. In both cases, most of the money represented loans. (Neither Brazil nor Argentina receives U.S. economic aid today.)



Brazil's President Sarney

Although the Alliance for Progress was founded on the premise that elected governments would achieve social reform and economic growth, these expectations were not borne out. There was economic growth, but the political goals of the Alliance were not achieved. In Brazil, Goulart was adopting a more independent foreign policy. He refused to support U.S. attempts to expel Cuba from the OAS and reestablished relations with the Soviet Union. That effectively ended the "special relationship." Within a few years the military were in power in Brazil and, by the early 1970s, throughout most of the continent. The U.S. moved to develop closer relations with these governments.

Since the 1970s, U.S. influence in Latin America has been in decline. In part this has been due to policy differences, in part to the desire of Latin American leaders to reduce their dependence on the North.

In the Carter years, relations with Argentina and Brazil were strained over the question of human rights. Insulted by an unfavorable State Department report on human rights in 1977 that was linked to its request for military aid, Brazil followed the example of Argentina and Uruguay and broke off military ties to the U.S. Subsequently Congress prohibited U.S. military assistance to Argentina after September 1978 due to its human rights violations. Washington also incurred Brazil's wrath when it unsuccessfully appealed to the West German government not to sell Brazil nuclear reactors. Both Brazil and Argentina later refused to go along with the U.S. grain embargo against the Soviet Union.

Ties with Brazil's military government improved markedly when the new Reagan Administration muted public criticism of human rights violations. The two presidents exchanged state visits in 1982. The U.S. demonstrated sympathy for Brazil's economic problems by announcing a short-term loan of $1.2 billion during Reagan's visit, followed in 1983 by $1.5 billion in guarantees and insurance to finance U.S. exports to Brazil.

Relations with Argentina's military also improved in the first year of the Reagan Administration, as the U.S. sought its cooperation in countering Central American insurgents. However, the two countries had a serious falling out after the U.S. supported Britain in the Falklands war. This choice of Anglos over Latins led to resentment throughout the region.

Alfonsin, a longtime human rights activist, made clear his preference for President Carter's approach to human rights violators in contrast to the quiet diplomacy preferred by Reagan. Vice President George Bush's presence at Alfonsin's inaugural helped smooth relations. U.S.-Argentine talks on a range of issues in March 1984 resulted in a "remarkable coincidence of views," according to participants. Alfonsin visited Reagan in Washington in March 1985, and addressed a joint session of Congress.

Troubled trade relations

There are major differences between the U.S. and Argentina and Brazil over the issue of trade protection. The U.S. charges that Brazil unfairly subsidizes its exports, especially shoes and textiles, and excludes American computer firms. Brazil in turn complains that U.S. protectionism and high interest rates have aggravated its debt burden. The shoe industry is a perennial sticking point. In 1984, when Brazil exported $853 million worth of shoes to the U.S., the International Trade Commission (a U.S. agency) found that the U.S. shoe industry had been harmed. However, President Reagan declined to set quotas on shoe imports. The U.S. has charged Argentina with "dumping" steel exports, and imposed duties on them in the spring of 1984.

The Reagan Administration's policy of resisting trade protection has met with stiff congressional resistance. The Administration fears that if it approved protectionist legislation, other countries would retaliate, leading to a worldwide trade war. Many congressmen, however, point to lost jobs and declining industries in their districts. In an effort to head off protectionist pressure, President Reagan in September 1985 announced a $300 million fund to subsidize some exports. Shortly thereafter, the House and Senate passed legislation restricting textile and apparel imports from Brazil and 11 other countries.

The three countries continue to disagree over Central America policy. The Reagan Administration believes the turmoil in Central America—particularly in El Salvador and Nicaragua—is part of the East-West conflict, and that the Communists are exploiting problems such as poverty, hunger and corruption to destabilize countries in its "front yard."

Many Latin Americans, on the other hand, insist the threat comes less from communism than debt. Carlos Fuentes, the Mexican novelist, points out that "democracy and economic progress do not come naturally to a region where the bywords, for centuries, have been political authoritarianism, archaic violence, patrimonialist whim, crumb-lifting from the table of capitalism. The future of Latin America, and of the U.S., depends on economic solutions, not on printing spy booklets on how to neutralize the Sandinistas."

In April 1983, Brazilian President Figueiredo charged that U.S. policy in Central America prevented countries from exercising self-determination and drove them into alliance with the Soviet bloc. The Reagan Administration was annoyed when Alfonsin extended $45 million in credits to the Nicaraguan government. These credits (which the U.S. regards as aid) are designed to promote Argentine exports. Argentina has also extended an additional $2.5 million to Nicaragua for food and medicine. Argentina, however, has supported the efforts of the Contadora group (Colombia, Mexico, Panama and Venezeula) to seek a negotiated settlement in Nicaragua—something the U.S. also supports.

Argentina and Brazil also differ with the U.S. on the role of Cuba: the Reagan Administration blames Cuba for encouraging subversion in the Western Hemisphere and has attempted to isolate it economically and diplomatically. Brazil and Argentina maintain limited relations with Cuba. Brazil does not favor excluding Cuba from regional matters, and supports the role of Cuban troops in southern Africa; Argentina sought Cuban support during the Falklands conflict.

Another issue dividing the U.S. from both Argentina and Brazil is their nuclear programs. The countries assert they need nuclear power; Washington fears they will develop nuclear weapons. Both countries have signed the 1967 Treaty of Tlatelolco, which bans nuclear weapons but not peaceful uses of nuclear energy. Brazil has ratified the treaty but refuses to be officially bound by it until other Latin American states ratify it and put it into force. Argentina has not yet ratified it. Argentine officials have indicated that they would like to ratify but are not yet prepared to face nationalist opposition.

Neither country, however, has joined the great majority of the world's nations in signing the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), which seeks to prevent the spread of nuclear weapons. Acceding to the treaty would oblige Argentina and Brazil to open their nuclear installations to inspection by the International Atomic Energy Agency, which the countries do not want.

Policy directions

The Reagan Administration has been gratified by what it regards as the more mature and realistic posture that the newly elected Latin American leaders have adopted toward the U.S. As William D. Rogers, formerly assistant secretary of state for inter-American affairs, commented, "The electoral process was producing new Latin leaders who, taken together, were a surprising cut above the historic average—less corrupt than their predecessors, more competent to deal with the economic challenge, more prepared for a new tone in the U.S.-Latin American relationship." This new generation of democratic leaders arose despite U.S. support for their military predecessors, notes Professor Gary W. Wynia of the University of Minnesota.

If the U.S. is pleased with the new leaders, the feeling until now has not been entirely mutual. Argentina and Brazil both hold the U.S. responsible, to some degree, for their current economic difficulties. At the same time, the economic downturn of the last five years has created a new recognition of their dependence on U.S. capital, technology and markets.

Argentina and Brazil have urged the U.S. to go beyond verbal support for democracy and take significant steps—perhaps in conjunction with Europe and Japan—to alleviate their debt crisis. Help at this time when they are especially vulnerable, they believe, is in the U.S. self-interest and could assure the future of democracy in the Americas.

In the fall of 1985 the U.S. responded by announcing a new approach to Third World debt. The U.S. recommended that the IMF modify its prescriptions for short-term austerity and emphasize economic growth instead. The proposal, made by Treasury Secretary James A. Baker 3d at the meeting of the IMF and World Bank in Seoul, South Korea, also called for additional lending by commercial banks and the World Bank to Latin America. Initial reaction by commercial banks was cool as the plan did not call for any increased U.S. government funding.

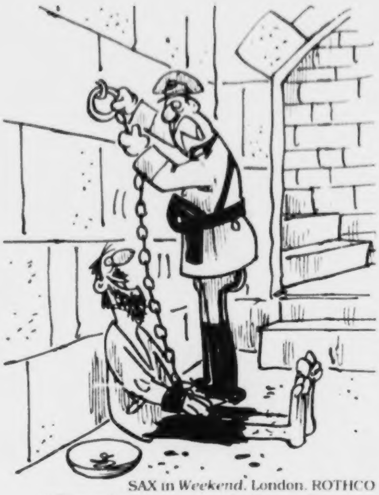
The U.S. believes that many of the solutions to Latin America's economic problems can be found in South America itself. By attracting foreign investment, disciplining their state-run industries, reducing subsidies and ending capital flight, they will be well on the road to growth and prosperity.

What changes, if any, should the U.S. make in its policy toward South America in the interest of better hemispheric relations?

■ 1. The debt crisis. Some critics believe the U.S. has the responsibility and the ability to relieve Latin America's debt burden by driving down interest rates, reducing its budget deficit, encouraging leniency on the part of banks and the IMF, reducing tariffs and lowering quotas on imports.

They argue that helping to resolve the debt problem will enable cooperation on other issues, such as Central America, Cuba, East-West relations and South Atlantic security. These problems give local Communists good issues on which to gain support. Should the U.S. fail to help with the debt problem, Latin Americans could simply defy the banks, thus jeopardizing the "rules of the game" of the international financial system.

Others believe that it is up to Latin Americans to work out solutions with the IMF and banks. They are not likely to repudiate their debts and risk losing future loans and trade credits and the seizure of their foreign assets. The U.S. should be willing to make an occasional bridge loan, but should not get involved in bailing out Third World countries. Austerity programs approved by the IMF may be politically difficult to implement, but unless the countries confront the issue, they will not undertake the structural reforms necessary for later growth and development.



SAX in *Weekend*, London. ROTHCO

"There's been a coup d'état. I'm to take your place."

Latin American nations, it is argued, have the ability to pay off their debts if they want to. Brazil's trade surplus in 1985 was expected to be large enough to pay off interest on its debt; Argentina's should be almost large enough. "If these countries could keep their savings at home," a banker said in May 1985, "they wouldn't need a dime of foreign dollars."

■ 2. The nuclear issue. With Argentina and Brazil both almost self-sufficient in energy, the U.S. sees no need for them to pursue their nuclear programs. The U.S. has pushed, so far unsuccessfully, for their adherence to the Tlatelolco and nonproliferation treaties. Is there something more the U.S. can do?

One option is for the U.S. to abandon temporarily efforts to get them to adhere to the NPT and concentrate on encouraging them to sign the less restrictive Tlatelolco treaty. The U.S. should use the Alfonsin government's private assurance that it would like to ratify it to convince others —Brazil, Chile and Cuba—to declare themselves bound by it.

Other observers see little likelihood of adherence by either Argentina or Brazil. Regardless of "private assurances," they believe Argentina and possibly Brazil are intent on producing nuclear weapons and joining the exclusive nuclear arms club.

■ 3. U.S. relations with South America. Neglect of South America in favor of crisis resolution in Central America is dangerous, according to some critics of current U.S. policy. They say the large, relatively stable countries of the South are more important to the U.S. than its small, unstable Central American neighbors. Critics also say that strengthening inter-American ties—political, economic and military—is what is needed, not bursts of interest prompted by external crises.

Representative Stephen J. Solarz (D-N.Y.) suggests that the U.S. promote the values it believes in, namely democracy, rather than concentrate on the Communist ideology it opposes. He notes that democratic countries are likely to be peaceful ones—unlike, say, Argentina under General Galtieri.

Others defend current policy, arguing that the U.S. has rightly concentrated its attention and resources in Central America, the area that faces an immediate Communist threat. There is no comparable crisis in South America.

★ ★ ★

In the coming months, South America's fledgling democratic governments will be sorely tested. If they meet the test, they will reinforce those who are demanding a return of democracy to Chile. The people of Argentina and Brazil clearly want to give democracy a chance. "The strength of democracy lies not in its ability to avoid conflicts, but in its ability to manage them," according to Argentine economy minister Juan Sourrouille.

Much depends on economic recovery, and if this is delayed the U.S.—however unfairly—may be blamed. The debt crisis has proven to be manageable so far, but it is far from being resolved. Undoubtedly, all sides will need to make concessions in the future. For now, goodwill exists between the U.S. and the new Latin American democracies, and the time may be right to evaluate the path future relations could take.

3 **OPINION BALLOT on page 91** ►

FOR DISCUSSION

1. The U.S. has traditionally paid greater attention to Central America and the Caribbean than it has to South America. Is this emphasis in the best interest of the U.S.? What are the risks, if any, of neglecting South America?

2. In terms of U.S. long-term interests, are democratic or military governments in South America preferable? Is it easier for the U.S. to deal with a military or nonmilitary government?

3. Judging by what you know of Brazil and Argentina, are military or nonmilitary governments more capable of maintaining political stability? economic stability?

4. Do you think that the U.S. government has a responsibility to promote the economic growth of other nations? What steps, if any, should it take to relieve the debt burdens of Argentina and Brazil? Or should this task be left to their creditors and to multilateral institutions such as the World Bank or the IMF?

5. It has been said that if a country's debts are very large, the creditors have a greater problem on their hands than the government. Is this true for Argentina and Brazil?

6. What are the merits of free trade? of protectionism? Should the U.S. impose duties on products of friendly nations in economic straits? Should it give their products preferential treatment?

7. Did rapid economic expansion in Brazil in the 1960s and 1970s have social consequences? If so, what were they?

8. Alfonsín's inauguration was attended by democratic leaders from many nations, who hoped the new democracy would take root. Does the U.S. have a special responsibility to help democracy work there? in Brazil?

9. Is there a correlation between economic and political stability? What bearing does this have on the future of democracy in Argentina and Brazil?

10. Is the debt crisis too important to be left in the hands of private bankers?

11. Does a country deserve easier credit if it is a democracy?

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Skidmore, Thomas E., and Smith, Peter H., **Modern Latin America.** New York, Oxford University Press, 1984. 419 pp. $12.95 (paper). Historical overview, case studies and summary of relations with the U.S.

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For further in-depth reading, write for the GREAT DECISIONS *'86 Bibliography (see page 2).*

ILLUSTRATION CREDITS: p. 29, AP/Wide World Photos; p. 31 (left), UN Photo/Milton Grant; p. 31 (right) UN Photo/Miguel Jimenez.

4 International Terrorism

IN SEARCH OF A RESPONSE

TWA pilot Captain John Testrake with Shiite gunman, Beirut, June 1985.

IN OCTOBER 1985, a new chapter in the history of modern terrorism opened when Palestinian gunmen carried out a "seajacking." They seized the Italian cruise ship *Achille Lauro* and, before surrendering to Egyptian authorities, murdered a passenger, a 69-year-old, wheelchair-bound American, Leon Klinghoffer.

A day after the surrender, U.S. Navy fighter planes intercepted the Egyptian aircraft that was carrying the hijackers and diverted it to Italy, where they were taken into custody.

The President's success in bringing the Palestinians to justice was applauded by Americans, frustrated and angered by a long succession of terrorist acts directed against U.S. citizens. Only four months earlier a TWA jet carrying 153 passengers plus crew was hijacked by two Lebanese Shiite gunmen who demanded the release of over 700 Shiites held in Israel. During the two-week ordeal, the hijackers beat and murdered one passenger, U.S. Navy diver Robert D. Stethem. Although the U.S. offered a reward for information on his murderers, it is unlikely that they will be found.

These were but two episodes in a chronicle of continuing violence that has affected all corners of the globe. On a single day, June 19, in Frankfurt, West Germany, a bomb exploded at the international airport, one of the busiest in the world, killing three and wounding 42. The same day, in El Salvador's capital, San Salvador, a truckload of guerrillas drove up to a string of street cafés and opened fire. Thirteen were killed, including four U.S. Marines—the target of the rebels, who oppose the U.S.-supported government.

On June 23, less than a week later, an Air India 747 en route from Toronto to Bombay plunged into the Atlantic Ocean off the coast of Ireland with 329 passengers aboard, mostly Indian nationals. No one knows what brought the plane down, but a bomb is suspected. An hour earlier, another bomb had exploded at Tokyo's International Airport at Narita. The bomb was in a bag just unloaded from a Canadian Pacific Airlines flight. In both cases the suspects are Sikh extremists hostile to the largely Hindu government of Indian Prime Minister Rajiv Gandhi.

The U.S. government has counted over 8,000 "significant incidents of international terrorism" since 1968. On the other hand, Risks International, Inc., a security consulting firm, has counted over 22,000, including both international and domestic terrorist incidents, since 1970.

Who are these terrorists and what do they want? Are these random acts of violence or is there a link between them? Are their actions ever justified? What can be done to stop the violence? The problem is grave and, some think, growing.

Many attempts have been made to define terrorism, but so far no one has come up with a generally accepted definition. To some, it is essentially a form of protest. Others characterize it as the threat or use of violence to instill fear for political purposes.

What is terrorism?

What distinguishes the terrorist from the ordinary criminal, according to Brian M. Jenkins of the Rand Corporation, is that fear is the effect the terrorist intends to produce; it is not the by-product of his violence. Terrorism is also something more than revolutionary activity. It is the deliberate use of violence—attacking by stealth, murdering and maiming the innocent. Terrorism disdains all international rules and conventions.

Terrorist violence, according to Bruce Hoffman, also at Rand, "is . . . meant to . . . create widespread disorder that will wear down a society's will to resist terrorists, and to focus attention on the terrorists themselves." When violence has as its ultimate objective the intimidation, subversion or destruction of institutions and processes of a state or international organization, it is an act of political terrorism. And when a terrorist chooses a foreign target, receives orders or funding from a foreign government, or seeks to influence the policies of a foreign government, his act becomes one of international terrorism. The international terrorist may act on behalf of a sovereign state or he may be part of an autonomous group.

Terrorism is not a new phenomenon but terrorism practiced on an international scale is. The word terrorism was coined during the French Revolution's Reign of Terror (1793-94), when political terrorism was first used as an instrument of power. Robespierre's Committee of Public Safety guillotined or imprisoned hundreds of thousands of men, women and children. The terror weapon is still used by many governments to maintain themselves in power.

The era of modern terrorism, by some accounts, began with the anti-Fascist underground in occupied Europe during World War II. After the war, national liberation struggles in the colonies often resorted to violence to obtain independence.

The first postwar skyjackings were carried out for the most part by Eastern Europeans fleeing to the West. U.S. aviation was first affected in the early 1960s when some of the disenchanted exiles from Premier Fidel Castro's Cuba seized commercial airliners and forced them to fly to Cuba. In subsequent years hijacking and other terrorist acts became more pervasive and far more violent.

Ten years ago, there was an average of 10 terrorist incidents per week. Today there are almost 10 a day, and a growing percentage is resulting in fatalities or multiple fatalities.

Terrorism in the '80s

Who are these terrorists who snuff out others' lives and are prepared to sacrifice their own? Risks International gives the following description of a typical terrorist: young (20-23 years old), usually male (although the number of female terrorists is on the rise), single or separated, urban, middle or upper class and relatively well educated. One exception is the Provisional Irish Republican Army (IRA), whose members are almost all working class.

Because of advances in communications and transportation, the modern terrorist is highly mobile, frequently part of an international network that provides training, weapons, forged credentials, funds and sanctuaries. In the 1972 massacre at Lod Airport in Israel, to cite a classic example, the terrorists were Japanese, in the pay of Arabs, bearing fake documents acquired in West Germany and using Czechoslovakian weapons acquired in Italy.

International terrorists fall into various groupings. There are ideological terrorists—anarchists, radical leftists, orthodox Communists, extreme rightists, etc. Some have a plan—more or less plausible—for remaking society; others, like the anarchist Red Army Faction (RAF) in West Germany, are more interested in destroying society than remaking it. Other varieties include ethnic, religious, linguistic and nationalist groups. Fundamentalist Shiite Muslims in the Middle East want a society free of non-Islamic influence. Basque separatists in Spain and France want their own country, as do Palestinians in the Middle East. The Provisional IRA wants to rid Northern Ireland of British rule and unite it with the Republic of Ireland. By their own definition, these groups are not terrorists at all but "freedom fighters."

The Middle East

According to the State Department, terrorists from the Middle East were responsible for half of all international terrorist incidents during 1984. The principal victims have been the citizens and property of the U.S., Israel and moderate Arab governments, such as Jordan, Egypt, Kuwait and Saudi Arabia. Particularly worrisome to the U.S. is that individual Americans, especially Jews, have been increasingly singled out for retribution. In a new development, four Soviet diplomats were abducted in Lebanon in September 1985. Three were released a month later; the fourth was murdered.

The upsurge of terrorism in the Middle East has been attributed to a number of causes: the alienation of Palestinians, uprooted since Israel's war of independence, who seek a homeland; the frustration of Arabs who have repeatedly suffered defeats at the hands of Israel, most recently in Lebanon; the success of Iran's fundamentalist Shiite revolution which has inspired sympathizers in Lebanon and elsewhere; and divisive intra-Arab politics, pitting moderates against radicals like Libya's Muammar al-Qaddafi.

The Shiites

Radical Shiite groups, particularly those based in Lebanon, are the prime suspects in a number of terrorist incidents.

Shaykh Muhammad Hussein Fadlallah, a religious leader in Beirut, is the chief proponent of Hezbollah (The Party of God), which advocates establishing an Islamic republic in Lebanon. He is believed by the U.S. government to be behind the truck bombing of the Marine barracks in Beirut in October 1983 and the June 1985 TWA hijacking. After the hijacking, Fadlallah said, "Oppressed people cannot always behave in a reasonable manner."

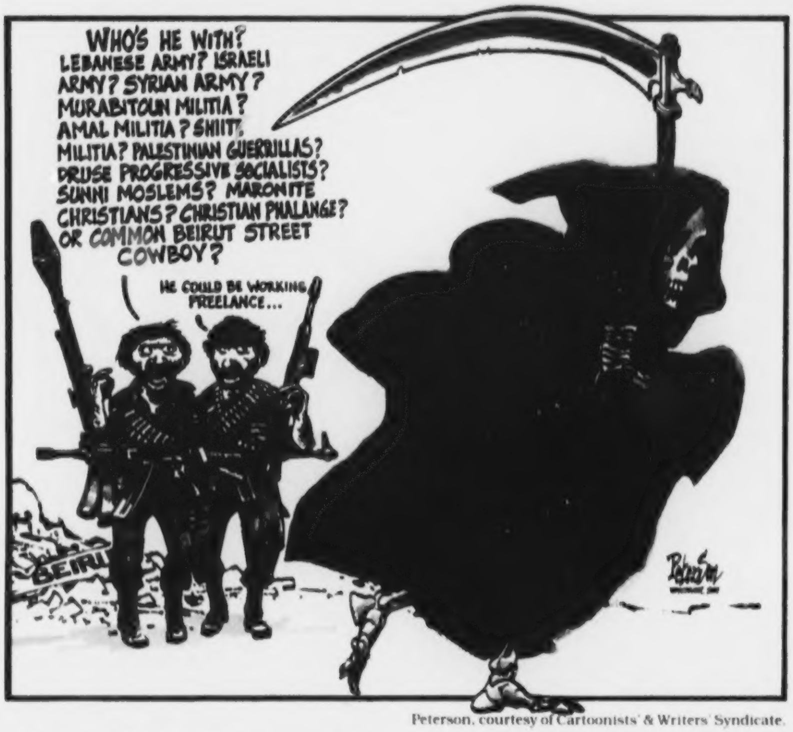
Fadlallah narrowly missed assassination by a car bomb in Beirut in March 1985 which took 80 lives. Press reports strongly suggested Central Intelligence Agency involvement.

Islamic Jihad (Holy War), a shadowy group, has claimed responsibility for some of the most spectacular terrorist operations, including the April 1983 destruction of the U.S. embassy in Beirut.

Some believe it serves as a cover for Syrian- or Iranian-sponsored operations. After the Marine massacre, Islamic Jihad issued a statement saying, "We are not Iranians or Syrians, or Palestinians. We are Lebanese Muslims who follow the dictates of the Koran." So far, this group remains a mystery to the West.

Islamic Amal (Amal means "hope" in Arabic) was founded by Hussein Musawi, who broke with the leadership of the more moderate Amal in July 1982. Musawi publicly praised the bombing of the Marine barracks and French military center in October 1983. A month later, the French bombed his headquarters in eastern Lebanon.

What motivates such terrorists? Although religious fanaticism and the Shiite penchant for martyrdom are frequently cited, nonreligious reasons also play a role. For example, a 16-year-old Lebanese boy, captured before he could carry out a suicide mission to blow up the Israeli army headquarters in Lebanon, revealed to interrogators that he had been blackmailed into accepting the assignment in order to improve his family's desperate finances.


WHO'S HE WITH? LEBANESE ARMY? ISRAELI ARMY? SYRIAN ARMY? MURABITOUN MILITIA? AMAL MILITIA? SHIITE MILITIA? PALESTINIAN GUERRILLAS? DRUSE PROGRESSIVE SOCIALISTS? SUNNI MOSLEMS? MARONITE CHRISTIANS? CHRISTIAN PHALANGE? OR COMMON BEIRUT STREET COWBOY?
HE COULD BE WORKING FREELANCE...
BEIRUT

Peterson, courtesy of Cartoonists' & Writers' Syndicate.

In the TWA hijacking, one of the gunmen had a brother who had been killed by the Israelis in Lebanon. It is more than likely that he sought personal revenge.

Some of the American hostages abducted in Beirut since 1984 are reportedly being held by a family seeking the release of a kinsman imprisoned in Kuwait for a series of December 1983 bombings.

The Palestinians

Palestinians seeking a homeland for their people have been responsible for such violent acts as blowing up U.S. jets in Jordan (carried out by the Popular Front for the Liberation of Palestine, or PFLP, in 1970), and the massacre of Israeli athletes at the Munich Olympics (carried out by Black September in 1972). Black September was a secret arm of the Palestine Liberation Organization (PLO), an umbrella group founded in 1964.

Since its expulsion from Lebanon in August 1982 by the Israeli army, the PLO has been in serious disarray. It split into two main factions: one supports PLO chairman Yasir Arafat and his Fatah organization, whose headquarters is in Tunisia; the other is a coalition of anti-Arafat groups that are supported by Syria. Their headquarters are in Damascus.

Arafat has sought to portray himself as a moderate, but others are not so sure. Israeli Prime Minister Shimon Peres warns, "You cannot talk and kill at the same time." In September, the PLO was implicated in the murder of three Israeli tourists in Cyprus. Israel retaliated by bombing PLO headquarters in Tunisia. In October, a lieutenant close to Arafat, Muhammad Abbas, was charged with masterminding the *Achille Lauro* hijacking. (See box.)

Euroterrorism

Although the focus of international terrorist activity has shifted from time to time, Europe has remained at the forefront. The U.S. Department of State estimates that currently 40% of all such incidents take place there.

The West German Red Army Faction is one of a number of extremist left-wing groups that was active during the 1970s. Better known then as the Baader-Meinhof Gang (named for two of its founders and leaders), the RAF was influenced by violent American protests against U.S. policy in Vietnam during the 1960s. The group's ideology was anarchist and anti-American; their objectives, in the words of Ulrike Meinhof, were "to hit the Establishment in the face, to mobilize the masses, and to maintain international solidarity." The group received training from the PFLP in Jordan, and carried out a wave of bombings, assassinations, bank robberies and arson until the arrest of its leaders in 1974 and the suicides in prison of Baader and Meinhof in 1977.

In Italy, where almost 600 right- and left-wing terrorist groups have been known to operate, the most notorious are the left-wing Red Brigades, who kidnapped and murdered former Italian prime minister Aldo Moro in 1978. The group has tried to create a state of anarchy that will lead to the eventual establishment of a Communist order.

The Red Brigades' first international target was American General James Dozier, kidnapped in late 1981 and rescued by the Italian police six weeks later. Dozier's rescue in January 1982, and the arrest of a number of Red Brigades members, was a serious setback for the group.

A series of terrorist attacks in the winter of 1984-85 sparked concern that left-wing groups had begun coordinating their movements. After a number of North Atlantic Treaty Organization (NATO) facilities in Belgium and West Germany were attacked during December 1984 and January 1985, the RAF and the French group Direct Action issued a statement announcing the formation of a "politico-military front in Western Europe" to "fight NATO and other imperialists." Ten days later, French Brigadier General René Audran, director of arms sales at the French defense ministry, was killed outside his home in a Paris suburb. Both the RAF and Direct Action claimed responsibility. And a week later, West German arms manufacturer Ernst Zimmermann was murdered at his home in Munich. Again, both groups claimed responsibility.

Police estimate that Direct Action has only 12 members and the RAF maybe 20, in addition to perhaps 100 sympathizers. They are suspected of having ties with groups in Belgium, Portugal and Italy. Plastic explosives stolen from one site in Belgium in June 1984 were used in six separate bombings in West Germany and France during 1985.

Some experts suspect that the alliance formed by these groups is more tactical than ideological; that, having fallen on hard times, these groups fastened on growing antinuclear and anti-NATO sentiment in the early 1980s as a way of gaining popular support. Although the experts are divided as to how well coordinated the groups are, some worry that frustrated elements of the peace movement are being drawn into their violence.

Provos, Basques and Armenians

Europe has a number of terrorist organizations that are united more by language, nationality or religion than ideology. They enjoy some popular support for their objectives, if not always for their means.

The Provisional IRA ("Provos") is the most lethal terrorist group in Europe. It split off from the parent IRA in 1969. The Provos have vowed "to destroy British rule in Ireland" through a combination of armed and political action, and are Marxist-Leninist in orientation.

The Provos have not limited their war to Northern Ireland. Most recently, in October 1984, they used a "long-fuse" bomb, possibly planted weeks before it was due to explode, at the Brighton hotel where Britain's Prime Minister Margaret Thatcher, her Cabinet and other Conservative party officials were meeting for their annual convention. The hotel was destroyed, four people, including two Cabinet members, were killed and at least 34 were injured. Thatcher escaped unharmed.

Most of the Provos' funding comes from Irish-American groups in the U.S., notably the Irish Northern Aid Committee (Noraid). A number of Noraid members have been charged with or convicted of illegal gun-running for the IRA.

Basques are struggling for the independence of northern Spain, where they enjoyed virtual autonomy until the 19th century. The terrorist group ETA (meaning Basque Fatherland and Liberty) was created in 1959 by a Marxist-Leninist splinter of the Basque national party. Over the years, ETA has seriously disrupted life in Spain as it waged its campaign of bombings, kidnappings and assassinations. It can claim some successes: the region was granted autonomy (though not independence) in 1979, and it elected a regional parliament in 1980.

Armenian terrorists, especially the Marxist-oriented Secret Army for the Liberation of Armenia (Asala), have been active internationally since 1975. They want the Turkish government to apologize for the first genocide of the 20th century, the alleged massacre of over 1 million Armenians by Turks during World War I. Asala has assassinated Turkish diplomats and carried out bombings, such as the one at Orly airport in July 1983 that killed 7 and injured 60. By 1984 Asala had split into two factions, one which continues terrorist action and the other which has repudiated it.

Terror on the right

Europe has also faced terrorism from right-wing organizations—neo-Nazi and neo-Fascist groups in Italy, West Germany and France. Their tactics, which usually involve killing and injuring large numbers of people, are designed to create such widespread fear and despair that the public will welcome an authoritarian government to restore order. One recent case in point: a bomb that exploded on a train in Italy in December 1984 killed 15 and injured 150. Had it gone off as planned, just before crossing the path of another train, toxic fumes from the explosions could have killed some 1,500 people.

Latin America

Terrorism in South America is less prevalent today than in the 1970s, when terrorist groups were strong in Brazil, Argentina and Uruguay. One exception is Shining Path, which has flourished in Peru since that country became democratic in 1980. This Maoist group seems bent on destroying Peruvian society. It has an estimated 2,000 members, and the wave of violence it has sponsored has forced the government in Lima to suspend democratic freedoms during prolonged states of emergency.

Another exception is Colombia's leftist urban guerrilla group M-19 (April 19, named for the date of a 1970 presidential election the group considers fraudulent). It has waged a campaign of kidnapping, hostage-taking and attacks on police stations. In late October, M-19 took over the Palace of Justice in Bogotá. The government refused to negotiate, and in a 28-hour siege by the army, 100 people, including nine judges, were killed.

In Central America, guerrilla groups opposed to the governments of El Salvador, Nicaragua, Honduras and Guatemala have all used terrorist tactics. El Salvador's Farabundo Martí National Liberation Front (FMNL) was responsible for the gunfire that killed the four U.S. Marines and nine other innocent customers in street cafés in June 1985, and for the kidnapping of President José Napoleón Duarte's daughter in September 1985.

State-supported terrorism: International 'Murder, Inc.'

Any terrorist group can afford a few sticks of dynamite or a plastic bomb. But the bigger, more sophisticated explosives used repeatedly in recent years—as in the Marine barracks bombing—require money and technical know-how which are beyond the reach of a terrorist organization—unless it is receiving help from a national government.

In his speech to the American Bar Association on July 8, 1985, President Ronald Reagan denounced five countries—Iran, Libya, North Korea, Cuba and Nicaragua—as "a confederation of terrorist states" that has become "a new international version of Murder, Inc." Other states singled out by the Administration in the past include Syria, the Soviet Union and its Eastern-bloc allies.

Ever since the ouster in January 1979 of the shah of Iran and the inauguration of a clerical state led by Ayatollah Ruhollah Khomeini, U.S.-Iranian relations have been marked by bitterness and suspicion. The prolonged detention of American hostages there (which ended in January 1981) and Khomeini's desire to "export" his Islamic revolution added to mutual hostility.

U.S. officials suspect an Iranian hand in almost every recent serious terrorist incident in the Middle East, particularly those in Beirut. They also blame Iran for the attack on the U.S. embassy in Kuwait in December 1983, and the hijacking of a Kuwaiti airliner in December 1984.

Although there is strong circumstantial evidence linking these incidents to Iran, Iran denies involvement and the U.S. lacks conclusive proof. This has inhibited the U.S. from taking action, though it privately put Iran on notice in February 1985 that it would suffer consequences if any of the American hostages in Lebanon were executed: "That is a permanent warning, and Iran knows it should take it seriously."

Colonel Qaddafi's Libya has few rivals when it comes to state support for terrorism. Qaddafi, in power now for 16 years, makes no secret of his attempts to promote revolution. His "use of diplomatic facilities as support bases for terrorist operations, and of his intelligence services as international terrorist instruments make a mockery of diplomatic immunity," according to the Reagan Administration. His policies have exasperated his Arab neighbors as well as the West. Egyptian President Anwar al-Sadat's assessment of Qaddafi: "[He is] 100% sick and possessed by the Devil."

Libya liberally funds terrorist organizations. Qaddafi is most partial to the Palestinians, but he has also provided money, arms, training and safe haven to the Provisional IRA, the Italian Red Brigades and other groups. Libya has also made large financial contributions to Nicaragua's Sandinista government.

Since April 1980, Qaddafi has sent assassination teams to hunt down his political enemies overseas. As a consequence, the U.S. in May 1981 closed the Libyan embassy in Washington.

In the fall of 1984, for once the tables were turned on Qaddafi. After the official Libyan radio boasted that a former Libyan prime minister living in Cairo, Egypt, had been "executed," Egypt revealed that it had faked the murder to embarrass Libya and reveal its unsavory methods.

Although Reagan did not include Syria in his July list, in acknowledgement of Syria's help in freeing the 39 American hostages from the TWA hijacking the week before, Syria remains on the State Department's roster of countries supporting terrorism. The Soviet Union's closest friend in the Middle East, Syria receives substantial arms shipments that may end up in terrorist hands. As the main power broker in Lebanon since the Israeli withdrawal, Syria is thought to assist local terrorist groups with training and facilities. However, it has always been careful not to leave any fingerprints.

The U.S. would like to enlist Syria's help in furthering Arab-Israeli peace. By all accounts, Syria wants to be regarded as a key player in regional diplomacy. But the U.S. still awaits evidence that Syria's attitude toward terrorism has changed.

Cuba runs a training camp for terrorists and has sent instructors to camps in Nicaragua, Libya, South Yemen, Syria, Angola and Ethiopia, according to one authority, Neil C. Livingstone. Members of the IRA, the Basque ETA, the West German RAF and many other groups have allegedly been trained by Cubans.

Muammar al-Qaddafi

Nicaragua, according to Attorney General Edwin Meese, is "a country club" for terrorists. The U.S. has evidence that the Sandinista government has offered safe haven to members of the PLO, the Basque ETA, the IRA, the West German RAF and Italy's Red Brigades. The Nicaraguan embassy has called Meese's remarks "outright falsehoods, distortions, and misrepresentations."

North Korea was most recently implicated in a bomb that exploded in Rangoon, Burma, where South Korean president Chun Doo Hwan and 17 other government officials were gathering for a wreath-laying ceremony in October 1983. Chun escaped, but the others were killed.

The Soviet connection

There is considerable debate over Moscow's role in world terrorism. Some analysts believe that the Soviets are at least indirectly responsible for supplying and training most, if not all, terrorist organizations as part of a relatively low-cost, low-risk form of warfare against the West.

There is evidence that Moscow supplies arms and training to at least some terrorist organizations. Moscow's Lenin Institute has been called "the Harvard of world terrorism," offering courses in guerrilla warfare, terrorist tactics and propaganda techniques to members of Communist parties outside the Soviet Union. The Patrice Lumumba University, named for the first prime minister of the Congo, now Zaire, offers similar training to non-Communists. Moscow openly expresses support for what it calls "wars of national liberation," many of which are being carried out by Marxist groups against Western-oriented governments, and many of which use terror as part of their struggle. It provides open diplomatic support for and arms to the PLO, which, in turn, is known to pass weapons and training on to other terrorist groups around the world. The CIA estimates that the U.S.S.R. spends $200 million a year on such movements.

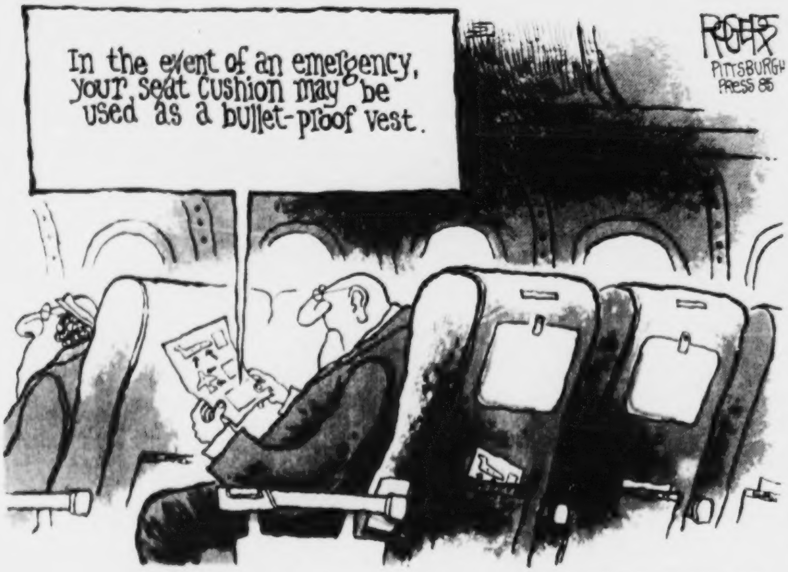
According to author Claire Sterling, the Soviet Union also supports right-wing groups when they serve its purposes. She and others contend that the Turkish group, the Gray Wolves, four of whose members are on trial in Italy for the 1981 attempt to kill Pope John Paul II, received their instructions from Moscow via the Bulgarian government.

Ray S. Cline, former deputy director of the CIA, emphasizes that the Soviet Union does not direct and command every terrorist operation. "That would be impossible and not very useful. What they do," according to Cline, "is supply the infrastructure of terror: the money, the guns, the training, the background information, the communications, and the propaganda that will inspire individual terrorist groups." He and others believe that without Soviet support, international terrorism could not survive at its current level.

Others are not convinced that all terrorist roads lead to Moscow. On the basis of interrogations of captured PLO members, for example, Israeli intelligence officials see the ties between the PLO and other terrorist groups as mutually advantageous business arrangements, not as part of any Moscow-directed campaign to destabilize the West. "If we publicly blame the Soviet Union for terrorism," warns Brian Jenkins, "any measure we propose to combat it may be taken as an anti-Soviet ploy. . . . If we go after the Russians, the terrorists may get away."

Freedom fighters?

The U.S. and other Western countries have been accused of terrorist acts by the very states they condemn. Nicaraguan President Daniel Ortega Saavedra, for example, has said that Nicaraguans are "victims of U.S. terrorism," referring to CIA involve-


In the event of an emergency, your seat cushion may be used as a bullet-proof vest.
ROGERS
PITTSBURGH PRESS 85

Rob Rogers/Pittsburgh Press. 1985.

ment in the mining of Nicaraguan harbors in 1984, the preparation of a manual for training counterrevolutionaries, and the millions of U.S. dollars going to support the anti-Sandinista rebels known as contras. Reagan calls the contras "Nicaraguan freedom fighters," but to Ortega they are terrorists trying—with Washington's blessing—to overthrow his government.

The French government's involvement in the sinking of the ship *Rainbow Warrior*, owned by the environmental group Greenpeace, has also been denounced as an act of state-sponsored terrorism. The accuser was a pro-Western head of government, New Zealand's Prime Minister David Lange.

National security adviser Robert C. McFarlane has said that "an insurgency [such as the contras' in Nicaragua] openly uses armed conflict as a means for seeking concessions from a dictatorial or totalitarian government that has denied peaceful redress of grievances or civic change." This can readily be distinguished, he continues, "from a group that attacks a democratic society by hostage-taking with suitcases full of explosives aboard airliners full of innocent people." Administration critics here and abroad think the distinction is artificial: "What matters to the Administration," said one writer in *The New Republic*, "is less the nature of the terrorist act than the political views of its perpetrators."

As warfare goes, some experts claim, terrorism is the cheapest and, for the price, most effective form there is. The notoriety a terrorist receives by killing, maiming or bombing gives him the appearance of strength when, in fact, terrorist groups are not only weak in numbers but also militarily and politically weak. "They call themselves brigades and armies," notes Jenkins, "when in fact they are handfuls of men."

Does terrorism pay?

Few people in this country have had firsthand knowledge of terrorism, but all have been affected in one way or another. Americans regularly submit to searches of their persons and baggage before boarding a plane, and pay higher ticket prices to cover the cost of airport security measures. Mail at potential target addresses is screened for letter bombs. Security measures for international conferences have never been tighter. Diplomats are hampered by restrictions on work and travel. Businesses have had to limit their operations abroad. Some have also had to pay large ransoms to free kidnapped executives.

Terrorists have killed, frightened and disrupted, but they have not been effective, some experts insist, among them historian Walter Laqueur. With the exception of anticolonial wars, now largely past, terrorists have been unable to translate the attention they have drawn to themselves into concrete political gains—or even to articulate a convincing strategy for doing so. The product of terrorism, for the most part, is terrorism.

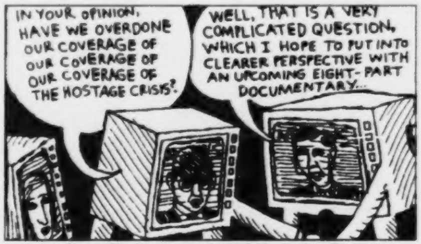
Terrorism and the media

Publicity is the lifeblood of terrorism, and television is a terrorist's favorite medium. "Kill one, frighten 10,000," an anonymous Chinese of the Confucian era reportedly said. In the television era, "kill one, frighten 10 million." The TWA hostage crisis focused attention on the role of the media—especially television—during terrorist incidents. Does TV merely cover the story or does it become a part of it? Critics—including many in the media—say the latter. *Newsweek* referred to the major networks' bitter fight "for the honor of being manipulated most often by the Shiites." Columnist Charles Krauthammer accused television of "co-producing" a hostage drama with the terrorists. And journalists themselves found much of the TV coverage excessive and sensationalized.

British Prime Minister Thatcher urged the press, in a speech in London after the hijacking, "to try to find ways to starve the terrorist and the hijacker of the oxygen of publicity on which they depend" by adopting a voluntary code of restraint.

Others disagree. Sam Donaldson of ABC News insisted that it is the media's responsibility to collect and broadcast information. Ben Bagdikian, dean of the School of Journalism at the University of California at Berkeley, warned that if terrorists fail to get the attention they want, they may simply escalate the violence until they do.

NBC has adopted guidelines that it hopes will avoid sensationalism during future crises. These include not issuing public relations statements about superior coverage, not interrupting regularly scheduled programs except for important—and confirmed—developments, and telling reporters to keep a low profile.


IN YOUR OPINION, HAVE WE OVERDONE OUR COVERAGE OF OUR COVERAGE OF OUR COVERAGE OF THE HOSTAGE CRISIS?
WELL, THAT IS A VERY COMPLICATED QUESTION, WHICH I HOPE TO PUT INTO CLEARER PERSPECTIVE WITH AN UPCOMING EIGHT-PART DOCUMENTARY...

From Washingtoon. ©1985 Mark Alan Stamaty.

Fighting back

HOW SHOULD governments respond to terrorist demands? If there is a chance of saving lives, should a government negotiate or should it refuse to do so?

Officially, most governments say they will not negotiate with or make concessions to terrorists, although deals are often struck either publicly or away from the TV cameras. In the TWA hijacking, for example, Greece released a suspected collaborator of the hijackers in exchange for four Greek passengers. Most analysts believe the hijacking was ended by a behind-the-scenes deal between Amal, Israel and the U.S., although the Israeli and U.S. governments deny this.

A number of nations, including the U.S., have set up elite commando units, trained in antiterrorist tactics, to take military action against terrorists and rescue their hostages. Some rescue operations have been stunning successes.

Among these were the U.S. interception of the Egyptian airliner carrying the Palestinian seajackers and the Israeli rescue of the passengers and crew of an Air France airbus at Entebbe, Uganda. At Entebbe, Israeli commandos landed under cover of darkness and within an hour had freed 102 passengers and crew and flown them to safety. Three hostages and one rescuer were killed, along with seven terrorists and twenty Ugandan troops.

Not all commando operations have succeeded, however. The attempted rescue of the American hostages in Iran by the U.S. Delta Force in 1980 had to be aborted when two of the eight helicopters carrying the force broke down and a third got lost in a sandstorm.

One reason international terrorists have been able to operate as freely as they have is that there is no consensus on how to deal with them.

The U.S. strikes back

The hijacking of the cruise ship *Achille Lauro* gave the U.S. an opportunity to mount its first successful operation against Middle East terrorists. The U.S. action, however, created some unwelcome fallout.

The Italian ship was taken over on October 7, 1985, by four Palestinians as it sailed between the Egyptian ports of Alexandria and Port Said. The terrorists demanded the release of 50 Palestinians held prisoner in Israel, and, to show they meant business, killed an American passenger. The *Achille Lauro* was denied entry at nearby ports, and ultimately returned to Port Said, where the seajackers surrendered to Egyptian authorities following the intercession of PLO official Muhammad Abbas (a.k.a. Abul Abbas).

The seajackers had received assurances of safe passage out of the country from Egyptian President Hosni Mubarak. They boarded an Egyptian jet bound for Tunisia. Once airborne, the jet was intercepted by four U.S. fighters and forced down at a base in Sicily, Italy. The seajackers were taken into Italian custody, but two PLO officials who accompanied them, including Abbas, were allowed to leave the country.

U.S. satisfaction with capturing the terrorists was coupled with outrage at the Egyptians for letting them go in the first place, and the Italians for permitting the alleged ringleader to escape. Ties were also strained with Tunisia, a moderate Arab state whose pro-West leader has long urged other Arabs to make peace with Israel. And there were fears that the U.S. action endangered the Middle East peace process and damaged America's standing in the Arab world.

Other repercussions: The government of a loyal NATO ally, Italy, fell when the defense minister resigned in protest over Prime Minister Bettino Craxi's decision not to arrest Abbas. Craxi's policy of improving ties with Arab countries and the PLO was also called into question. The government was soon reconstituted. In Egypt, anti-American demonstrations broke out, and President Mubarak labeled the U.S. interception "an act of piracy." Egypt accused Tunisia, which had refused the Egyptian jet landing rights, of collusion with the U.S. Tunisia was still smarting from qualified U.S. approval of Israel's raid on PLO headquarters. The prestige of the PLO—which initially claimed that no murder had taken place—plummeted, especially in the eyes of its erstwhile collaborator for peace, King Hussein of Jordan. Israel, which had always insisted that Arafat was a terrorist, was not surprised to find his close confidant, Abul Abbas, implicated in the *Achille Lauro* affair. Syria, eager to embarrass the Arafat faction of the PLO as misguided and incompetent, handed Klinghoffer's body back to the U.S. An autopsy revealed that he had been shot twice. The Soviet Union, itself a recent victim of terrorism, expressed disapproval of the act.

The lessons

One of the lessons of the *Achille Lauro* incident is that cooperation on fighting international terrorism is the first casualty when nations' interests collide. Concern that Italy could be a future target for terrorists might have prompted Craxi to free Abbas. Egypt's Mubarak had his own worries: his government was already under fire from Islamic fundamentalists and more radical Arab states for its close identification with the U.S.

From a tactical standpoint, the U.S., by convincing other countries not to permit the ship to dock during the crisis, prevented the dispersal of the hostages, which had been a major factor in prolonging the TWA crisis. The U.S. was also privy to good intelligence: it knew the seajackers were still in Egypt, even after Mubarak insisted they had left. Finally, the U.S. had the satisfaction, for once, of seeing terrorists brought to justice. "Suddenly," exulted *The New York Times*, "after years of faceless mobs and vanishing gunmen and anonymous martyrs driving dynamite-packed trucks, someone had been caught."

Should the terrorist be treated as a common criminal or a political offender? In most countries, terrorists are prosecuted as common criminals, or may be extradited as such to their country of origin. But when a terrorist flees to a third country, there is often no law under which to try or extradite him. How should international terrorists be treated?

An international problem

The UN General Assembly (GA) debated the question a number of years before passing the International Convention Against the Taking of Hostages in 1980. The debate pitted the U.S. and others who argued for prosecution of terrorists, regardless of motives, against Arab and other Third World countries who advocated eliminating the causes of terrorism, such as poverty or discrimination.

Earlier, the GA had made headway in two limited areas associated with terrorism. A convention for the protection of diplomats, which requires signatories to punish or extradite the guilty, was adopted by the GA in 1973 and entered into force in 1977. And in 1977, the GA, in response to a threatened worldwide strike by airline pilots, adopted by consensus a resolution condemning hijacking. The resolution endorsed existing conventions that provide for returning planes, passengers and crews to their country of origin and for prosecuting hijackers. In October 1985, the UN Security Council took its strongest antiterrorist stand to date. It unanimously condemned the "unjustifiable and criminal hijacking" of the *Achille Lauro* and "other acts of terrorism, including hostage-taking."

Outside the UN there have been several encouraging developments. A 1973 agreement between Cuba and the U.S. to return planes and their hijackers has all but stopped the hijacking of U.S. aircraft to Cuba. At their economic summit in Bonn in July 1978, the seven largest industrial democracies—the U.S., West Germany, Britain, France, Italy, Canada and Japan, whose airlines carry almost 70% of the passengers in the non-Communist world—agreed to suspend air traffic to and from countries that refuse to prosecute or return hijackers and aircraft promptly. After the 1984 London economic summit, they issued another declaration, calling for closer cooperation by police forces across national borders, examination by individual countries of loopholes in domestic law that can be exploited by terrorists and other measures.

The trouble with a multilateral declaration or convention, however, is getting states to implement it. Laqueur notes that while multilateral treaties "may be of interest to lawyers and insurance companies, they have not the slightest practical importance."

France and Spain, however, have recently come to an agreement for extraditing Basque prisoners to Spain. A similar extradition agreement between France and Italy is expected.

Several countries have made considerable headway in unilateral efforts to fight terrorism. In Italy, the government offered pardons to captured Red Brigades members in return for information on others still at large, with excellent results. In West Germany, upgraded intelligence contributed to a major decline in RAF activity for a number of years.

The Reagan offensive

When Reagan welcomed the hostages home from Iran shortly after his inauguration, he warned: "Let terrorists be aware that when the rules of international behavior are violated, our policy will be one of swift and effective retribution." The Administration announced that it would not make concessions to, pay ransom to or negotiate with terrorists for the release of hostages.

In October 1984, Secretary of State George P. Shultz went further and stated that "our response [to terrorism] should go beyond passive defense to consider means of active prevention, preemption and retaliation."

The rash of bombings in the Middle East made it evident that the U.S. was unprepared to back its rhetoric with action. Investigations following these incidents showed inadequate security at embassies and military installations, poor intelligence, and a military ill equipped to prevent or retaliate against terrorist violence.

The bombing of the U.S. embassy annex in Beirut in September 1984 was the third at a U.S. installation in 18 months, and it galvanized the President and Congress into action. The 1984 Act to Combat Terrorism authorized the payment of rewards for information on terrorists and their actions, and provided $356 million for upgraded security at U.S. missions abroad. Secretary of State Shultz personally visits embassies wherever he travels and receives daily reports on conditions at embassies in high-risk areas. The Defense Department has added other counterterrorist units to Delta Force, and equipped them with sophisticated weapons. The Federal Bureau of Investigation has created similar units to fight terrorism in this country.

In spite of improvements, the U.S. ability to deal with terrorist acts in places like the Middle East remains limited. During the TWA hostage crisis, no one knew where the hostages were being held, and there was little the President could do but exercise restraint and patience. No one knows yet where the six remaining hostages are, or even who is holding them. "Our problem. . . has not been a lack of will," Reagan told reporters, but the nature of terrorist attacks the U.S. has faced, where retaliation "would simply be an act of violence without any knowledge that you were striking the perpetrators of the deed, and you might be attacking many innocent people."

In the *Achille Lauro* case, the U.S. had good intelligence. It saw an opportunity to capture the seajackers and it executed a successful mission. But the rescue was not without its price. (See box.)

Outlook

The political, economic and social currents that tend to breed terrorism are in the ascendancy, and we are entering the Age of Terror, warns Professor Yonah Alexander, director of the Institute for Studies in International Terrorism. If a government were to provide the resources, tomorrow's terrorists could add chemical, biological or even nuclear weapons to their arsenals. The U.S. and U.S.S.R. agreed informally in July 1985 to share information about any nation preparing to use such weapons.

In an age of increasing interdependence and centralization of information, a handful of armed terrorists can do a remarkable amount of damage even with such primitive weapons as a few sticks of dynamite, plastic bombs or hand grenades. Terrorists already have brought airports and railroads to a standstill, disrupted communications and destroyed power stations, blackening cities. They have also attacked computers, erasing stores of information.

Not everyone shares Alexander's doomsday view of terrorism and its future. "Compared with other dangers threatening mankind, [terrorism] . . . is almost irrelevant," according to Laqueur. FBI Director William Webster thinks there is less a rising tide of terrorism than a rising tide of concern about terrorism.

Dealing with terrorists

The following are some frequently debated measures for dealing with terrorism. Though listed separately, they are not mutually exclusive.

A. Stop terrorist attacks before they start.

■ 1. Tighten airport security. In addition, station sky marshals on flights. The drawbacks are cost and time added to travel. Sky marshals increase the risk of an armed confrontation in the air, fatal to all.

■ 2. Boycott unsafe airports. Under a bill proposed during the hostage crisis in June 1985, the secretary of state could issue advisories against travel to airports that do not meet minimum security standards and forbid travel to them if standards are not improved within 120 days. He could also deny landing rights in the U.S. to foreign airlines that use blacklisted airports.

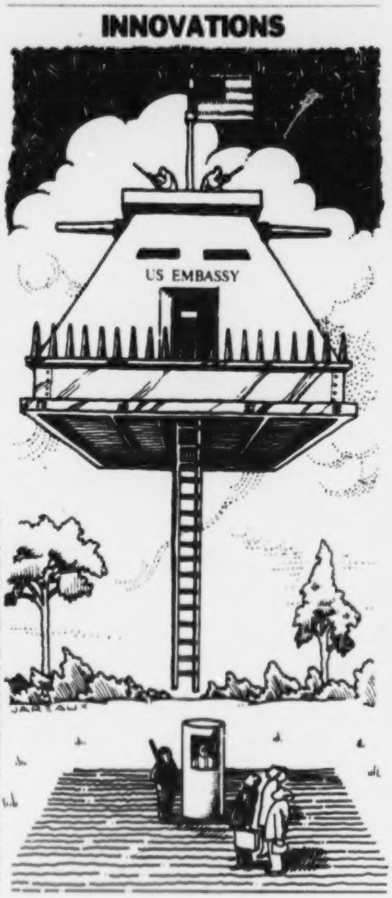
Objections to the bill include the inconvenience, the possible retaliation against U.S. airlines and airports, and the loss of business to competitor airlines.

■ 3. Tighten security at embassies and other targets. Objections center on the huge costs involved and the difficulty of deterring a determined suicide bomber no matter how much money is spent. Moreover, fortress-like embassies will inhibit the access of embassy personnel to local officials.

■ 4. Improve intelligence capabilities. Better intelligence is crucial. However, groups such as those threatening U.S. citizens in the Middle East are small, suspicious of outsiders, and difficult to infiltrate.

■ 5. Pressure countries that sponsor terrorism. Countries that harbor and equip terrorists should be put on notice that they face reprisals, either diplomatic (withdrawing diplomatic recognition or expelling or threatening to expel their nationals living in the U.S.) or economic (canceling sales of arms or other goods, imposing a full economic boycott or withholding development assistance).

Sanctions, opponents point out, must be multilateral in order to have any effect, and the U.S. has not had much success in the past in getting its allies, who have different priorities and interests, to go along.



Jarreaux in The Christian Science Monitor © 1985 TCSPS.

■ 6. Attack preemptively. The U.S. should strike selectively against known terrorists, their training grounds, bases, or storage sites, or should use surrogate forces to do so.

Problems include the difficulty of collecting adequate intelligence to make such a strike, the likelihood of killing innocent civilians, and the possibility that such an attack would lead to increased terrorist attacks on American targets rather than deterring them.

■ 7. Improve international cooperation. Some loopholes in extradition laws have been closed, but there is still much room for improvement. Consideration should also be given to implementing the many international conventions on terrorism. Intelligence-sharing between governments—particularly in Western Europe—would also help. However, supplying information on suspects who have not been convicted of any crime raises legal problems.

■ 8. Focus on eliminating the causes of terrorism, such as poverty and discrimination. Terrorists are desperate people who often have legitimate grievances that are not being addressed. Until the disease is cured, the symptoms are bound to continue.

B. During and after a crisis:

■ 1. Negotiate. The Reagan Administration is opposed in principle to negotiating with terrorists, but it has in fact negotiated either directly or through third parties.

Critics of the Administration's non-negotiation policy believe negotiation is the best way to get hostages released quickly, thereby avoiding government paralysis. "The argument . . . that terrorism will continue until the terrorists are shown that the costs outweigh the benefits" assumes terrorists are rational enough to weigh costs and benefits, notes historian Arthur Schlesinger Jr. The U.S. can reserve the option of retaliating once the hostages are home.

■ 2. Retaliate. Many of the same arguments advanced for and against a preemptive strike apply to retaliation against terrorist targets. Secretary of Defense Caspar W. Weinberger has compared retaliation against terrorists to firing a gun into a crowded theater in the hope of hitting the guilty.

Others are concerned about the effect of such retaliation on our own society and moral standards. Georgetown University's terrorism expert Robert Kupperman warns that "if we hit Iran, there is certain to be terrorism in the U.S."

■ 3. The media should voluntarily limit its coverage. Because publicity is essential to terrorists, the media should avoid giving terrorists a free propaganda platform.

On the other hand, limiting news coverage would interfere with the public's right to know and the media's responsibility to provide information. It could also remove pressure on governments to find solutions for the problems that lead to terrorism.

★ ★ ★

Are there any solutions? The underlying causes of terrorism are not likely to disappear. Does that mean the problem is insoluble? Or can something be done?

4 **OPINION BALLOT** on page 91 ▸

FOR DISCUSSION

1. Are there any circumstances under which you think the use of violence in pursuit of a goal is justified? What about violence that hurts innocent people? Give reasons for your answer.

2. What do you think are some of the prime causes of terrorism? What, if anything, can be done about them?

3. What are some of the factors that make terrorism so much more dangerous today? Is state-supported terrorism really something new?

4. Why has it been so difficult to reach international agreement on a definition of terrorism and the appropriate means for dealing with it?

5. Why do you think the U.S. and its citizens are so often a target of terrorist attacks? Why has the Soviet Union seldom been a target?

6. Do you see a moral difference between the bombing of a U.S. military installation by a state-backed terrorist organization and the mining of Nicaraguan harbors by the U.S. government? Explain your answer.

7. Do you think the U.S. should negotiate with terrorists for the release of American hostages? Why or why not?

8. Do you think the U.S. should take military action against terrorists, either to prevent attacks or to retaliate for them? Under what circumstances? What are some of the difficulties of doing so?

9. What role should the media play during terrorist incidents? Does publicity make life easier or harder for hostages? Their families?

10. Why do you think there is so little terrorism in the U.S.?

11. Should the U.S. retaliate in any way for the lack of cooperation shown by its friends abroad in resolving the *Achille Lauro* crisis?

SUGGESTED READINGS

"Again, and Again?" **The Economist** (London), June 22, 1985, pp. 13-14. Editorial argues against even behind-the-scenes deals with terrorists and for stronger measures to prevent terrorism, and warns the U.S. to accept that its role as a world power guarantees that it will continue to face terrorist attacks against its citizens abroad.

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Friedman, Thomas L., "The Power of the Fanatics." **The New York Times Magazine,** October 7, 1984, pp. 32 +. **The Times'** former bureau chief in Beirut sees radicalism rising in the Middle East.

Livingstone, Neil C., **The War Against Terrorism.** Lexington, Mass., Lexington Books, 1982. 291 pp. $14.95 (paper). An overview of international terrorism—its perpetrators, sponsors, victims and weapons—and a survey of current state and private efforts to fight back.

Nader, George, "Interview with Sheikh Muhammed Hussein Fadl Allah." **Middle East Insight,** June-July 1985, pp. 12-19. This widely cited article is the first, and only, in-depth look at the mind of a suspected terrorist and how he justifies his actions.

Newhouse, John, "The Diplomatic Round: A Freemasonry of Terrorism." **The New Yorker,** July 8, 1985, pp. 46-63. The author has visited several European capitals and discusses their reactions to the latest round of terrorist violence in Europe.

Oakley, Robert B., "Terrorism: Overview and Developments." **Department of State Bulletin,** November 1985, pp.61 +. Discussion of Reagan Administration policy by the director of the Office for Counter-Terrorism and Emergency Planning.

Schlesinger, Arthur Jr., "Obsession Leads to Paralysis." **The New York Times,** June 27, 1985, p. A23. This Op-Ed piece differs with the Administration's position that a government should never negotiate with terrorists.

"Ten Ways to Fight Terrorism." **Newsweek,** July 1, 1985, pp. 26-29. Suggestions for preventing and responding to terrorist attacks.

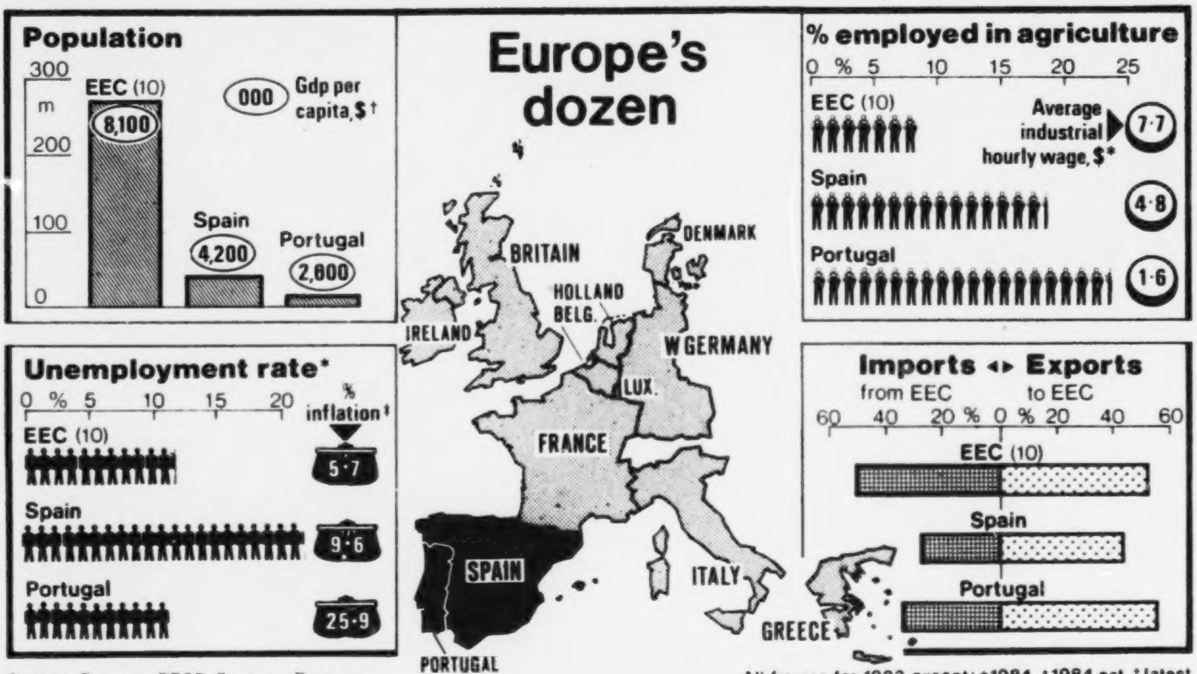
Treisman, Daniel, "Terror Error: the Irony of Counterterrorism." **The New Republic,** October 14, 1985, pp. 16-18. Author argues that the Reagan Administration's view of acceptable and nonacceptable violence depends on the political views of the perpetrators.

For further in-depth reading, write for the GREAT DECISIONS *'86 Bibliography (see page 2).*

ILLUSTRATION CREDITS: p. 35, Agence France-Presse; p. 39, UPI/Bettmann Archive.

5 European Community and the U.S.

FRICTION AMONG FRIENDS



Sources: Eurostat, OECD, Business Europe

All figures for 1983 except: *1984, †1984 est, ‡latest

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ON JANUARY 1, 1986, Spain and Portugal joined the 10-member European Community (EC). This brought the population of the world's largest trading power from 280 to 325 million. The occasion was subdued. With a minimum of fanfare, the Spanish and Portuguese representatives began reporting to work on January 2, 1986. This down-to-business attitude reflected the feeling of the Community toward enlargement: to make it successful will take a lot of work.

Enlargement represents a willingness on the part of both old and new members of the Community to make economic sacrifices for a good they hope will materialize: a stronger, more independent Europe. For the Ten, enlargement means putting pressure on their already heavily burdened budget to aid the comparatively poorer new members. For Spain and Portugal, membership means greater competition in some traditionally protected segments of their economies, such as shipping and steel, and the risk of greater unemployment.

The EC is an economic union that was created with far-reaching political goals. Formed in 1957, its original six members (Belgium, France, Italy, Luxembourg, the Netherlands and West Germany) hoped their agreement to establish a free-trade zone with a common external tariff would be the first step toward political integration and the reassertion of European power. Since then, the EC has enlarged (Britain, Denmark and Ireland joined in 1973; Greece in 1981), becoming the world's largest trading power. In the process it has achieved a high degree of cooperation between two traditional enemies, France and Germany, and the elimination of intra-Community tariffs—though nontariff barriers remain. The goal of a "United States of Europe" remains elusive.

The enlargement comes at a crucial moment. The European countries have only haltingly emerged from the 1980-83 recession. The EC forecasts economic growth of 2.3% for 1986. This is an improvement, but not nearly enough to put Europe back on the fast economic track it followed through the 1960s. There is general agreement among the Community members that to meet the economic challenges of the late 1980s, the EC must abolish the remaining barriers to trade within the Community and create a "Europe without frontiers."

Americans who have been watching the EC's progress contemplate enlargement with mixed feelings. Since the creation of the EC, the U.S.

has supported its aims, and the Reagan Administration has applauded its enlargement. "We welcome the entrance of Spain and Portugal . . . ," President Ronald Reagan said, "for their presence makes for a stronger Europe and a stronger Europe is a stronger West." Yet, successive administrations have had trouble reconciling their support for a strong and independent Europe with the challenge such a power presents to the U.S. economically and politically.

In 1986, a year after the U.S. was expected to rack up a $150 billion trade deficit, the issue of the European economic challenge is particularly significant. The U.S. deficit with the EC was $20 billion, small compared with its overall deficit, but significant considering the U.S. has historically run a surplus with the EC. The U.S. is also competing fiercely with the EC for export markets. "Countries that are hurting each other in . . . a trade war are not likely to be effective political allies," cautions economist Martin Feldstein.

To what extent, if any, is the EC responsible for America's trade problems? To what extent is the strong dollar responsible? Is it time for the U.S. to discard its free-trade philosophy and pursue a policy of economic nationalism designed to protect U.S. industries and promote exports, even at the risk of European retaliation?

The foreign policy of EC members has often differed from that of the U.S. and there have sometimes been bitter conflicts. Americans got a sharp taste of those differences in October 1985, when Italy turned down the U.S. request to arrest Muhammad Abbas, whom the U.S. suspected of planning the *Achille Lauro* hijacking (see Topic 4). As a Mediterranean power and oil importer, Italy has sought to maintain good relations with the Palestinians and the rest of the Arab world. To what extent does U.S.-European harmony rest on shared foreign policy goals? Would a more united and independent Western Europe be an asset to the U.S. or a threat?

The EC's institutions

The EC has five governing institutions. The European Commission, which is based in Brussels, Belgium, is responsible for proposing policy and administering programs. One half of the Commission's 12,000 employees—known as Eurocrats—work as translators, since the Community now has nine official languages. The Commission's proposals go to the Council of Ministers.

The Council of Ministers, also based in Brussels, includes the foreign, agricultural and other ministers of each member country. The presidency rotates in alphabetical order by country every six months. The Council is empowered to approve the Commission's suggestions.

In practice, major decisions are taken by a newer body, the European Council. The European Council was formed in 1974 and includes the heads of government of the member countries. It meets three times a year, at varying locations, and its presidency changes every six months. The Council's importance derives from the political stature of its members; its decisionmaking is restricted to those proposals put forward by the Commission.

A fourth body is the European Parliament. The Parliament is based in Luxembourg, meets in Strasbourg, France, and holds most of its committee meetings in Brussels. Its 518 members are popularly elected and are seated not by nationality but by party. (French Socialists and Italian Socialists sit side by side; as do French Christian Democrats and German Christian Democrats.) Paradoxically, this most democratic part of the EC has the least power, though its influence is increasing. It can dismiss the Commission, which it has never done, and it can reject part or all of the budget, which it has done three times.

The fifth body is the European Court of Justice, located in Luxembourg. Its functions are to make sure the EC treaties are being properly applied and to settle disputes over EC policy among member states. It also acts as an appeals court for individuals who have exhausted the options in their home countries.

History of EC

Nation-states do not give up sovereignty happily. It takes some great event to persuade them to do so, and in the case of the EC members, the first steps toward closer union were inspired by a need to strengthen their economies, prevent any future German aggression, and deal more effectively with both the looming Soviet threat next door and the American ally on whom their security depended.

Attempts at integration proceeded slowly. In 1951, Belgium, France, Italy, Luxembourg, the Netherlands and West Germany formed the European Coal and Steel Community (ECSC). The ECSC's immediate goal was to reorganize coal and steel production to speed Europe's recovery. Its establishment represented the first step toward setting up an intra-European common market.

The "Father of Europe," French businessman Jean Monnet, used the success of ECSC to broaden the Community's scope from coal and steel to all trade. After a failed attempt at political union in 1954, Monnet thought that the path to political integration might be through economic integration. As countries traded freely, as people knew each other better, as the mobility of workers and capital increased, as more and more economic policy was made by the EC for its members, people, he hoped, would stop thinking in terms of nationalities and would begin to think in terms of Europe.

Rome treaties

In 1957, six countries signed the Rome treaties. They did so at a time of political upheaval. In 1956, Soviet troops had marched into Hungary to put down an uprising, and British, French and Israeli troops had tried unsuccessfully to seize the newly nationalized Suez Canal. One treaty set up the European Economic Community (EEC) or Common Market, a second, the European Atomic Energy Community (EURATOM). Collectively, these two bodies, along with the ECSC, became known as the European Communities—their official name—popularly referred to as the Community or EC. (The executives of the three communities merged in 1967.)

Britain did not join immediately. Instead, in 1959, it joined with Austria, Denmark, Norway, Portugal, Sweden and Switzerland to create the European Free Trade Association (EFTA). EFTA's goal was to advance free trade among its members. EFTA does not have a common external tariff nor does it share the supranational goals of the EC, which, at the time, made EFTA attractive to Britain. By the time Britain changed its mind and applied for EC membership in 1961, largely for economic reasons, Charles de Gaulle was president of France and unwilling to allow British entry, largely for political reasons. He vetoed British accession in

Attending the European Council meeting in Brussels in March 1985 were (front row, left to right): Prime Minister Andreas Papandreou (Greece), President Jacques Santer (Luxembourg), Chancellor Helmut Kohl (West Germany), Prime Ministers Wilfried Martens (Belgium), Margaret Thatcher (Britain) and Bettino Craxi (Italy); President François Mitterrand (France), Prime Ministers Poul Schlueter (Denmark), Garret FitzGerald (Ireland) and R.F.M. Lubbers (Netherlands).

1963 and 1967, and it was not until 1973, after de Gaulle left office, that Britain, along with Ireland and Denmark, became a member.

The EC's economic vitality from its inception through the early 1970s was extraordinary. Total trade of the Six expanded 430% during that time, compared with 310% for the members of EFTA, and 285% for the U.S. A major part of that increase was trade among the Six, encouraged by the elimination of tariff barriers.

CAP and the veto

Two decisions taken by the EC during the 1960s are the subject of lingering controversy. The first was the Common Agricultural Policy (CAP) which went into effect in 1962. The CAP was created to ensure that Europe would not run short of food and to further the EC's goal of a single market by transferring to the Community the separate national programs of farm price supports. The CAP sets an "intervention price"—usually above the world price—for certain farm exports to designated countries. Farmers who are unable to find an export market can sell the product to the EC at the intervention price, and the EC then stores the product or tries to sell it. The CAP has encouraged EC farmers to produce so much food that it cannot all be sold—within or outside the EC. By 1985, farm subsidies took up two thirds of the EC's $26 billion budget.

The second legacy of the 1960s is the decision not to phase out the veto and adopt majority voting for certain decisions, as provided for in the Treaty of Rome. In 1965, in a dispute over financing the Community budget, France refused to compromise with the other members. In an assertion of sovereignty, France boycotted the EC's meetings for six months and only returned, in 1966, when the other members agreed to the Luxembourg Compromise. This allowed a country that felt its "vital interests" were threatened to veto a decision. Since then, almost all substantive decisions have required unanimity.

Since the early 1970s, movement toward integration has slowed, notwithstanding the admission of three new members. When the economic climate worsened in 1973-74 because of the quadrupling of the price of imported oil, the members pursued their own methods of fighting high inflation and economic stagnation rather than adopting common policies. The same was true with respect to the inflation of the late 1970s and the recession of the early 1980s.

Political factors also worked against integration. West Germany's desire for improved relations with East Germany combined with U.S.-Soviet détente, which eased security concerns, lessened incentives to adopt a united front. When the Six went to Nine in 1973, they found it all the more difficult to agree.

Enlargement

There was nevertheless some progress. In 1974, the EC set up the European Council, which institutionalized the informal summit meetings between leaders of government that had been taking place since 1969. At these meetings, leaders discussed and sometimes concerted policy on international issues. Greece applied for membership in 1975. That same year a British referendum on EC membership was approved by a large majority. In 1979, the EC introduced direct popular elections for the then 410-member European Parliament.

The possibility of a third enlargement was raised in the mid-1970s when Portugal and Spain became democracies, a requirement for membership. In 1974, Portugal overthrew the successor to long-term dictator Antonio Salazar. One year later Spanish dictator Generalissimo Francisco Franco died. In 1977, both countries applied for membership, and negotiations began in 1978.

Both trade concerns and internal disagreements held up enlargement. EC members worried that enlargement to 12 would make decision-making that much more difficult and the EC less effective. France, Italy and Greece (which joined in 1981) were concerned about the prospect of direct competition over wine, citrus fruits and olive oil with Spain, a major and comparatively low-cost producer. Spain's membership also raised the prospect of greatly increased expenditures on wine subsidies, since Spain alone produces half as much wine as the entire EC.

Since Spain and Portugal are both relatively poor countries, their membership was likely to strain the EC's budget. The budget itself was a source of contention. From 1980-85 Britain objected to the EC budget, arguing that it was paying too large a share.

As time passed, it became increasingly urgent for the EC to come to a decision on enlargement. When Spain joined the North Atlantic Treaty Organization (NATO) in 1982, the Christian Democrats were in power. Soon after, Felipe González, a Socialist, was elected, in part because he promised to hold a referendum on NATO membership. Although González now appears to be more pro-NATO, opinion polls show that a majority of Spaniards want out. The EC members hoped that membership in their organization might encourage Spain to stay in the military alliance.

Finally, by 1985, the EC members succeeded in removing most of the obstacles to enlargement. They agreed on a new budget formula more acceptable to Britain in June 1984. Also, the members appeared to be prepared to implement majority voting. They were receptive to a report presented by a special committee in 1984, which recommended that decisions be made unanimously only when they concerned "new areas of action or new accessions."

Outstanding trade issues were also resolved. The EC will phase out its tariffs on Spanish and Portuguese citrus fruits over 10 years. Spain will raise the price of its olive oil and cut production of table wine. The Community has agreed to help Spain balance its payments within six years and to provide Portugal more than $700 million in development loans and $500 million in agricultural support. Most of the agreements will be implemented over 7-10 years. In June 1985, Spain and Portugal signed treaties of accession.

A Community divided

In the last few years the EC member states have not given much thought to political integration. They have been too preoccupied with so-called grocer's issues, such as setting the correct price for cereals. For this reason some have taken to calling the EC the "uncommon market."

The most serious disagreement has been over the allocation of the EC's budget ($26 billion in 1985). The members have found that if it is difficult to cut up an expanding pie, it is all the more difficult to cut the same pie into a larger number of pieces. Different countries have different objectives, and some are more willing than others to make sacrifices for the sake of the Community.

Gaston Thorn, former president of the EC Commission, said of the EC, "When we started out, with six members, we were all in the same leaky boat. . . . Now there is a North and a South within Europe with great contrasts, not only economically but politically. Half of the Ten are socialists with egalitarian goals, half are monetarists. We don't even have the same ideas of where to look for security."

FRANCE

France has the second-largest economy in the EC and is a major beneficiary of the EC's controversial agricultural policies. Enlargement is likely to be a mixed blessing for the French. It will mean more intra-Community competition in agriculture, but it will also mean more pro-agriculture votes to side with the French on policy decisions affecting the CAP—a major issue in the late 1980s. That the socialist government of François Mitterrand was willing to cast its vote for enlargement, in the face of a potential loss of agricultural income and the anger of the strong farming lobby, was an indication that France still desires a strong EC as a base for projecting French power. The question for the 1980s is how flexible France will be in working out CAP problems.

WEST GERMANY

West Germany has the largest and strongest economy in the EC. In the past it has been considered one of the most supranationalist of the countries, but this attitude has been changing to some extent. Germany "was feeling increasing reservations about linking its own destiny to countries that were not able to manage their own affairs better," suggests Robert Marjolin, former vice-president of the EC Commission. West Germany's economic growth in October 1985 was 3.2%, compared with an estimated Community average of 2.3%; West Germany's unemployment was 9.2%, compared with a Community average of 11%.

Germany's change of heart may stem from political reasons as well. "The Germans wanted respectability, the French wanted someone else to subsidize their large peasant population." This quip is not far off the mark in describing West Germany's reasons for joining the EC. (The Germans also were attracted by the large French market for their manufactured goods.) Thirty years later, however, such concerns are not paramount in West Germany. Chancellor Helmut Kohl has recently indicated that West Germany is less willing to sacrifice for the sake of the Community. In May 1985, West Germany vetoed a proposal to cut the price of cereals by 1.8%, a blow to the EC's efforts to streamline the agricultural budget and also to hopes that use of the veto would be curbed.

The French-German axis, nonetheless, remains the foundation of the union and Franco-German amity must be reckoned one of the EC's major successes. A June 1985 survey found that 62% of French people interviewed thought that France should come to Germany's defense in the event that the country was seriously threatened militarily.

BRITAIN

Britain's detractors claim it approaches the EC as if it were a "shopkeepers' community," concerned only with the economic benefits it can reap. That is not entirely fair. Britain has made efforts to strengthen the Common Market and is in fact the largest net contributor to the EC's budget. Nonetheless, Britain appears to be the least enthusiastic of the EC's members.

At the root of the problem is the fact that Britain, as a major food importer, does not benefit from generous subsidy programs geared toward food producers. It loses, because its non-EC imports are heavily taxed to align prices with CAP prices. The tax goes not to the British treasury but to the EC's, and the result is that Britain is one of two EC members—West Germany is the other—that pays more into the EC than it receives.

Prime Minister Margaret Thatcher's attempts to make the budget fairer to Britain tied up the Community for five years. Finally, at their Fontainebleau summit in 1984, the EC heads of government agreed to a formula whereby Britain would receive lump sum rebates totaling $1.4 billion for past overpayment and future subsidies equivalent to at least 66% of its contributions.

Britain's intransigence on the budget issue antagonized many of the EC members who feel that Britain is not Community-minded. At the height of the controversy, 25% of Europeans polled said they would prefer an EC without Britain. This attitude was more than reciprocated: a majority of British polled in 1980 favored dropping out of the EC.

ITALY AND BENELUX

Italy and the Benelux countries (Belgium, the Netherlands and Luxembourg) have prospered from membership in the Community, although they do not play as independent a role as the larger economies. They are considered the countries most in favor of moving toward supranational government. Belgian minister for external relations Leo Tindemans told the Foreign Policy Association in September that as a representative of a small nation it was easier for him to advocate in public the idea of full political union. "I strongly believe that no European country is capable of maintaining true independence without relying on its partners," he said.

GREECE

Greece is significantly poorer than most of the other EC countries and its economy is primarily agricultural. Its gross national product (GNP) per capita technically qualifies it as a developing country.

While EC membership has brought Greece large sums of money—in the form of aid and as a beneficiary of the CAP—membership has also brought problems. Once Greece began to remove its protective barriers it was flooded with imports from northern Europe. It has not been able to close the trade deficit with agricultural exports because the northern countries, although primarily industrial, are more efficient agricultural producers and processors. For example, in spite of the fact that Greece is a major orange grower, it is the Netherlands that is the major source of orange juice for the EC.

In December 1984, before agreeing to enlargement, Greece insisted that the EC set up a $2 billion package of special subsidies for Greek farmers who were likely to be hurt by Spanish and Portuguese competition. After months of wrangling, the EC compromised on $1.4 billion.

With the inclusion of Spain and Portugal, the EC will gain a substantial Mediterranean population. It seems likely that, in the future, the EC will have to focus on more Mediterranean-related problems. This will mean that agricultural subsidies will remain high on the EC's agenda, along with development assistance. This is a daunting prospect to some, who fear this will make budget battles all the more acrimonious and the EC less viable. "Can a Community of Twelve move ahead as fast as we need, if all have to move at the same rate?" asked Sir Geoffrey Howe, British secretary of state for foreign and commonwealth affairs. Howe answered his own question with a qualified yes: "the answer . . . is to improve the structure's efficiency and load-bearing capacity."

Europe of the Twelve

	Population[a] (millions)	GNP per capita, 1983[b] (U.S. dollars)	Growth rate of GNP[c] (% change from 1983 to 1984)	Unemployment rate, 1984 (%)	Current account balance, 1984 (billions of U.S. dollars)
Belgium	9.9	9,150	2.2	13.3	0
Britain	56.5	9,200	2.4	11.7	0.1
Denmark	5.1	11,570	4.1	10.1	−1.7
France	54.8	10,500	1.7	9.3	−0.1
Greece	10.0	3,920	2.4	8.1	−2.2
Ireland	3.6	5,000	2.7	16.0	−0.8
Italy	57.0	6,400	2.6	10.4	−2.9
Luxembourg	0.4	14,650	2.2	1.4	0
Netherlands	14.4	9,890	2.2	15.6	4.9
West Germany	61.4	11,430	2.6	8.3	6.2
Portugal	10.1	2,230	−2.1	10.5	−0.6
Spain	38.4	4,780	2.2	20.6	2.0
EC total	321.6	—	2.1 (average)	11.3 (average)	4.9
United States	236.2	14,110	6.8	7.5	−101.6

[a] Population Reference Bureau.

[b] *World Development Report 1985* (New York, Oxford University Press for the International Bank for Reconstruction and Development/The World Bank, 1985).

[c] The remaining figures are from: *OECD Economic Outlook*, No. 37, June 1985 (Paris, Organization for Economic Cooperation and Development, 1985).

Will the EC move forward?

Outside pressure has been the most effective way of encouraging the European countries to work together. In 1986 the countries face pressure to maintain their competitiveness with the U.S. and Japan and to create jobs.

Since 1970 the U.S. has created 30 million jobs: Europe, none. According to *The Economist* (London), small, new entrepreneurial firms provided 80% of the jobs created in the U.S. during the period from 1977 to 1981; such firms are hindered in Europe by masses of red tape and a lack of venture capital.

Although the EC has abolished intra-Community tariffs, a host of nontariff barriers has survived. For example, in July 1984, several truckloads of West German freezers were turned back at the French border because they did not have the proper certification in French. That particular requirement was introduced almost overnight. The EC Commission has put forward 300 proposals, 90% of them requiring a unanimous vote, that must be approved before a completely open internal market exists.

At the Milan summit in June 1985 the members agreed to strive for a genuine common market by 1992. This "Europe without frontiers" would have common standards for major new technologies and products, a free market in financial services, and standardization for professionals so that doctors, lawyers, architects, accountants and others could move from country to country without restriction, as other workers do now. "Europe stands at the crossroads," an EC Commission paper said in support of a common market. "We either go ahead—with resolution and determination—or we drop back into mediocrity."

In an effort to boost the creation of a "technological Europe," the members agreed in November 1985 to work together on the Eureka project. Eureka is a French proposal that was originally intended as a counterweight to the $26 billion research program the U.S. is planning for its Strategic Defense Initiative (see Topic 2). The French were concerned that the size of the U.S. effort would drain Europe of its best scientists, thereby widening the technology gap. By late 1985, Eureka had evolved into a high-technology research program, with ten separate fields of research, among them lasers for cutting cloth and the development of new forms of silicon chip. The Europeans hope that discoveries made by one country will be shared by all Eureka participants.

Whether or not the EC is able to remove remaining internal trade barriers, develop new technology and create jobs—the challenges of the 1980s—it appears to be making progress in other areas.

Money: In 1979 the EC introduced the European Monetary System (EMS) and with it, its own currency, the European Currency Unit (ECU). The members hope that the EMS will eventually lead to monetary union and the alignment of EC members' economic policies. In the meantime, the EMS has brought a certain amount of stability against exchange rate fluctuations, since it sets limits within which exchange rates must remain.

You cannot actually hold an ECU: it represents the combined value of nine European currencies. (Britain does not belong.) In November 1985, 1 ECU was equal to 85 cents. The ECU is now the third most widely used currency in the world for bond issues and other business transactions. Its popularity stems from the fact that because it is a basket, rather than one currency, a sudden drop or rise in the value of one currency is likely to be counterbalanced by another. Therefore, it is a more stable currency—a fact that makes it very attractive to borrowers. It is estimated that in its first year the ECU countries' currencies varied in value by 1.9% as compared with 5.2% during 1973-78. The next step may be to coin the ECU, and there is talk of travelers checks denominated in ECUs.

Foreign Policy: The EC members have actually been more united in their foreign policy than in other areas. The foreign ministers meet to coordinate policy in a process that is called EPC: European Political Cooperation. Although the process is outside the formal Community treaty arrangements, some have suggested that foreign policy rather than economics will lead to integration.

EC foreign policy positions have differed from those of the U.S. in several areas. The EC tends to support a more pro-détente, less confrontational policy toward the Soviet Union than the Reagan Administration. The EC countries have closer ties with the Third World, notably with their former colonies, than the U.S. does. On Mideast policy the EC, for a variety of reasons, including its dependence on oil and its traditional ties to the region, inclines toward a more pro-Arab view, while recognizing Israel's right to exist. At a Venice economic summit in 1980, the EC foreign ministers released a declaration calling for the Palestine Liberation Organization (PLO) to be associated with future Mideast negotiations.

Defense: Most of those who favor greater integration believe it will not be possible until the European wing of the Atlantic defense alliance is integrated. The 16-member NATO includes 11 members of the enlarged EC (Ireland has not joined) plus Canada, Iceland, Norway, Turkey and the U.S. Many in Western Europe have long seen NATO as a lopsided alliance in which the U.S. gives orders and the other members respond. One of the main motives for greater European union has been a desire for balance in the Atlantic alliance. In December 1982, the Political Affairs Committee of the European Parliament concluded that the members "share a number of vital security concerns even if the Community has no military dimension of its own" and that these concerns "should be fully explored."

Some have suggested a revitalization of the West European Union. The WEU (the original six EC members plus Britain) was formed in 1948 as a European defense organization. Soon thereafter NATO was created and WEU was overshadowed. But the members of the EC held a WEU meeting in the fall of 1984 to discuss the Europeanization of their defenses. This would entail stronger conventional forces and a possible link between British and French nuclear deterrents—something easier to discuss than to achieve.

The U.S. response has been ambivalent. While the U.S. is generally in favor of any European effort to improve its own defense—and thereby reduce American defense expenditures—it is skeptical about what the Europeans can achieve and fears they could undercut the effectiveness of the Atlantic alliance.

The world's largest cartel

On September 22, 1985, Treasury Secretary James A. Baker 3d met with representatives from France, Britain, West Germany and Japan—the Group of Five—and they agreed to act in concert to lower the value of the dollar. The dollar's strength has been one of the most important reasons for the poor U.S. trade performance, and Baker's actions were designed to head off a trade war with its allies.

The past few years have been a trying period in U.S.-EC trade relations. Although the U.S. has traditionally run a trade surplus with the EC, since 1984 it has run a deficit.

U.S. Merchandise Trade with the European Community 1980-85

(billions of U.S. dollars)

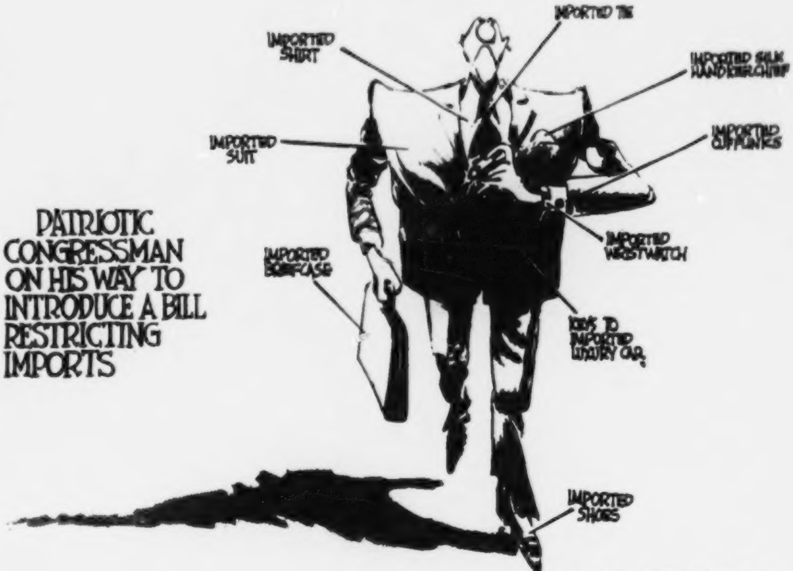
	Exports (f.a.s.*)	Imports (customs value)	Balance
1980**	53.7	36.5	17.2
1981	52.4	41.6	10.7
1982	47.9	42.5	5.4
1983	44.3	43.9	.4
1984	47.0	60.3	-13.3
1985 (est.)	46.2	66.1	-19.9

**f.a.s. (free alongside ship)*

***nine countries, increased to ten in 1981*

Source: U.S. Department of Commerce

To understand the trade dispute, it is necessary to understand how the European economies differ from the American economy. From 1983 to mid-1985, the U.S. economy grew faster than the European economies. America's economic success has meant low inflation and comparatively low unemployment, but its cost has been a strong dollar—some say overvalued—which has been made even stronger by high interest rates. The strong dollar keeps import prices low and has enabled American consumers to buy products from all over


PATRIOTIC CONGRESSMAN ON HIS WAY TO INTRODUCE A BILL RESTRICTING IMPORTS
IMPORTED TIE
IMPORTED SHIRT
IMPORTED SILK HANDKERCHIEF
IMPORTED SUIT
IMPORTED CUFFLINKS
IMPORTED BRIEFCASE
IMPORTED WRISTWATCH
KEYS TO IMPORTED LUXURY CAR
IMPORTED SHOES

Don Wright for *The Miami News*

the world, many of them from Europe. But at the same time, U.S. exporters are having trouble selling abroad because of the strength of the dollar. The result is a record trade deficit. (The projected deficit in 1985 was $150 billion, compared with $123 billion in 1984 and $69.4 billion in 1983.)

Exports to the U.S. have been a major stimulant to European economies. Economist Sara Johnson estimates that they are responsible for some 50% of Europe's growth in 1984. But Europe's recovery from recession has been slow and incomplete compared with the U.S. and Asian economies. This is partly because powerful labor unions and state-supported industries make the economies rigid. (As *The Economist* reported, "Europe's problem is that it is attached to stability in an age when stability is a comparative disadvantage.") It is also, according to the Europeans, because they have had to put a brake on their economies; the strong dollar would otherwise cause inflation. The result has been high levels of joblessness. Eleven percent unemployment has made Europeans reluctant to adopt any policy, such as reducing agricultural subsidies, that would add to unemployment.

American concern about its trade deficit has led to increased demand for protectionism. European concern about employment has led to accusations that the U.S. is inhibiting Europe's economic growth. The result is that the allies blame one another for aggravating their ills. (The U.S. and the EC have not restricted their anger to each other; third parties, such as Japan and some of the more successful developing countries, have also felt the threat of protectionism.)

Two of the most bitter arguments have been over agriculture and steel. Farm exports have traditionally been a lucrative part of America's trade balance. This is changing. In 1985, the agricultural surplus is projected to be $16.7 billion, the lowest level since 1978. Many Americans blame this on Europe.

American farmers contend that Europeans are competing unfairly because they are being paid above world prices to produce food that they don't need, which their governments are selling for less than the going world prices. The result has been lower agricultural prices for American farmers and a loss of market share. The EC, Americans complain, has increased its share of the world wheat market from less than 8% in the early 1970s to more than 16% in the last crop year. By comparison, American export volume has declined from 61% of the world market in 1976-77 to about 35% in 1985.

Europeans counter that American farmers also benefit from subsidies. In 1983, farmers made up less than 10% of the EC work force. They received $16 billion from the EC and $14 billion from individual governments. Farmers made up 3.4% of the U.S. work force and received $28 billion in supports. Further, Europeans say their share of the export market has been between 14 and 15% since 1981. If their share has remained constant, they ask, how can they have taken away markets from the U.S.?

In October 1985, Reagan announced the U.S. was starting proceedings under the General Agreement on Tariffs and Trade (GATT) to protest EC subsidies of wheat exports. Europe has some powerful ammunition of its own with which it has threatened to respond. It is America's largest market, and half of American products enter the EC duty-free. In spite of the rhetoric, however, neither side appears to want to damage the alliance and both recognize that the costs of a trade war might prove greater than current costs.

Steel is also a divisive issue. In an effort to create a streamlined and profitable steel industry, the Community has encouraged cutbacks of some 35 million tons of European steel capacity over the past five years by giving steel makers subsidies. One side effect has been high unemployment among steel workers. To the U.S. steel industry, which is also hurting from unemployment and a loss of more than 25% of its market to foreign imports, the subsidized European steel exports represent unfair competition.

In 1982, with a protectionist backlash imminent, the Europeans agreed to reduce their share of the U.S. steel market to 5.44% from 6.3%. To compensate, they have in turn limited their imports from countries such as Brazil, South Korea and East Germany. The 1982 agreement expired at the end of 1985, touching off angry exchanges.

Trade disputes are likely to worsen with the EC's enlargement. U.S. exports to Spain and Portugal are worth $3.45 billion a year, and some of those sales are likely to be jeopardized when U.S. exporters confront tariff barriers that no longer apply to EC traders. Also, the Community is likely to raise its overall tariffs to pay the higher bill for subsidizing farmers. "We're going to get clobbered," one U.S. trade official said.

The U.S. is also troubled by preferential trading agreements the EC has negotiated with some Mediterranean countries. In return for duty-free access to the Community for certain goods, the Mediterranean countries give selected Community exports preferred treatment. This is in addition to its special arrangements with 66 former colonies in Africa, the Caribbean and the Pacific, known as the Lome Convention.

In response to this criticism, the EC counters that the Treaty of Rome made special provisions for trade with developing countries having historical or economic ties to the Community. Moreover, the convention is legal under GATT. The U.S. did not complain then, they say, only later when it realized how large a market was involved. Further, the trade contributes to Third World development.

All these trading issues are skirmishes in a larger battle that has been going on for a long time. What troubles analysts is that these trading problems come at a time when the effectiveness of the entire global trading and monetary system is in doubt.

In 1947, the major industrial powers agreed on the outlines of a free-trading system that is still in effect. The enforcement mechanism for this was GATT, set up in 1947. GATT is both a series of rules and a forum to enforce them. GATT's purpose was to ensure that over a period of time tariffs would be reduced, with the result that trade would grow. Tariff reductions have greatly boosted trade, yet some assert that America's trading partners are not playing by the same rules as the U.S. These concerns have been exacerbated by the strength of the dollar.

The role of the dollar

On September 22, the Reagan Administration acknowledged that the dollar's value was higher than it should be and took steps to reduce it. (Under a system agreed upon in 1973, the dollar floats in value.) For an Administration that had argued for more than four years that market forces alone would be sufficient to keep the dollar in place, this was a remarkable turnaround.

Since 1980 the dollar has risen 30-40% in value. The value of the dollar depends on several things. A country with a strong, safe economy and stable political system is likely to have a strong currency because foreign investors consider it a safe place to invest. Likewise, a country with high interest rates is likely to have a strong currency because investors will get a large return on their investment. Both of these are characteristics of the present-day American economy and have contributed to the dollar's rise in value.

Until September 1985, the Administration had argued that although the dollar's value was high, it was impossible to describe it as "overvalued": the market sets the price, which is by definition the "correct" value of the dollar. This might be called a laissez-faire (or hands-off) approach. It argued that once the rest of the world's economic growth caught up with the U.S., other currencies would rise in value against the dollar. The Administration did not take any particular steps to reduce the dollar's value, except to propose cuts to lower the Federal budget deficit which would relieve upward pressure on interest rates.

Critics argued that the international monetary system was too important to leave to a laissez-faire approach. They said that if the Administration did not take steps to lower the value of the dollar, the U.S. might find its trading position permanently undermined.

The remedy the Administration decided upon in September—intervention—has been described as a high-stakes poker game because the U.S. is essentially bluffing other countries into believing the dollar is worth less. Intervention means that the industrialized countries will threaten to—and may actually—sell the dollars that they hold in reserve and buy their own currency. By doing so they hope to reduce demand for the dollar, and increase demand for their own currency, thereby lowering the value of the dollar.

Intervention can backfire. A country might spend billions to buy its currency, temporarily raising its value, only to find its currency falling again with a resulting loss of several billion dollars. Also, intervention cannot cure the fundamental causes for a strong dollar—in this case the large federal deficit. By the fall of 1985, the dollar had dropped somewhat in value, but nowhere near the amount analysts thought it should drop.

In an additional move to head off protectionist pressure in Congress, the President on September 23, 1985, announced a new "fair trade" policy. "I will not stand by and watch American businesses fail because of unfair trading practices abroad. I will not stand by and watch American workers lose their jobs because other nations do not play by the rules." The centerpiece of Reagan's package was his announced willingness to retaliate against countries that impose restrictions on U.S. exports. He also proposed a $300 million fund that will provide credit to foreign customers so that they can buy American products rather than cheaper foreign products. The President also pushed again for a new round of trade negotiations in 1986.

None of this has been enough to deflect some serious concerns. More than 150 trade bills are now before Congress. The bills' supporters believe a more active policy than the one outlined by the President is needed to reverse U.S. weakness in international trade. Said Senator John C. Danforth (R-Mo.), "One speech does not make a trade policy."

The European challenge

PRESIDENT REAGAN addressed the European Parliament in May 1985: "I am here to tell you America remains, as she was 40 years ago, dedicated to the unity of Europe." The response was mixed. While many listened attentively, some booed and yelled, and others walked out. Clearly, there is friction among friends, as there has often been over the course of the U.S.-West European alliance.

The current strain reflects a growing difference in the way Americans and Europeans interpret the form U.S.-European relations should take and, following that, what form Europe should take. "The Atlantic Ocean seemed to have 'grown wider,' " wrote one observer.

When the U.S. offered to help Europe rebuild after the war, it made its aid conditional on the Europeans pooling their resources. This was the first of several American efforts to encourage European integration.

At the time of the EC's founding, the U.S. recognized that even if its trade with Europe suffered as a result, that would be a small price to pay for the long-term political and strategic advantages. In fact, of course, trade increased for everybody. An economically strong Europe acts as a bulwark against the Soviet Union and its Eastern European allies, strengthening the Atlantic alliance. These were, and remain, the key reasons behind U.S. support of the EC.

The predominantly good relations between the U.S. and the EC have been tested over the past years by disputes that have not threatened to rupture as much as to strain relations. The disputes have represented, for the most part, a decreased willingness on the part of Europeans to follow the U.S. lead and, often, a lack of U.S. understanding of European interests.

In 1980, President Jimmy Carter halted grain shipments to the Soviet Union following the Soviet invasion of Afghanistan. The Europeans refused to cut off their grain exports to the Soviet Union, though they did pledge not to take advantage of the situation by increasing exports.

Another source of friction arose after the declaration of martial law in Poland in 1981. The U.S. imposed restrictions on sales by American companies and their European subsidiaries of pipeline materials used in construction of the European-Siberian gas pipeline. The restrictions were eventually widened to include European companies selling technology licensed by American companies. The Europeans considered this an infringement of their sovereignty. The resulting disagreement caused bad feelings on both sides of the Atlantic. The issue was resolved when the U.S. withdrew its sanctions.

In 1982 a new debate surfaced over NATO's decision to allow the U.S. to deploy medium-range missiles in Europe. The U.S. deployment proceeded on schedule in late 1983.

These stresses have challenged U.S. and European policymakers to ask themselves what changes the EC should make to prepare itself for the coming decade. Often, the answer is greater integration. The EC has already committed itself to take steps toward greater economic integration, in the form of a freer internal market. Another possibility is to do away with unanimous votes on substantive issues, a proposal endorsed by the European Parliament. France and West Germany have suggested a "two-speed" Europe, in which some countries—the original six—would agree to advance toward federation more quickly than others. Finally, the most extreme version calls for "European Union," which would mean a true political union, or a "United States of Europe," as proposed by Leo Tindemans.

European Parliament in Strasbourg gave President Reagan mixed reception.

U.S. view of integration

Should the U.S. encourage further European economic and political integration? The main argument for U.S. support is that an integrated Europe would be a stronger and therefore a more dependable ally, capable of making a greater contribution to the expansion of world trade and economic growth.

A more integrated Europe would be able to move in the direction of greater military self-reliance. If this enabled the U.S. to withdraw its troops from Europe, the U.S. would save as much as $150 billion a year, according to Earl Ravenal of the Cato Institute. If, on the other hand, the Community disintegrated into a loose coalition of squabbling nation-states, some of the Twelve might find themselves drawn into closer ties with the East and gradually slip into the Soviet sphere of influence. From an economic, political and military standpoint, this could be disastrous for the U.S.

Those who oppose U.S. support for European integration say there is no guarantee that such a Europe would ally itself with the U.S. In fact, if Europe is prompted to integrate because of dissatisfaction with the United States, the resulting entity would probably be hostile to U.S. goals. It is possible, they argue, that Europe will drift off into neutralism. Critics also point to the practical problems. Europeans, they note, took years to agree on a common passport. How can they be expected to agree on political union? Who would be prime minister?

Should the U.S. discourage Europe's integration? The dangers that the EC was created to face, such as the threat of another war between Germany and its neighbors, have long since passed, it is argued. Europe's major problems today are economic, and the answer is a loosening of restrictions that have stifled growth. Teddy Taylor, a Conservative member of the British parliament, believes the EC should content itself with trade policies similar to those of EFTA. (Current EFTA members are Austria, Finland, Iceland, Norway, Sweden and Switzerland.) He notes it has had higher economic growth and less unemployment in the past 10 years than has the EC. Such a goal would have the virtue of being more practical, it is argued.

If the U.S. discourages integration, critics argue, it would be opposing the goal that many Europeans cherish: a separate and independent role for Europe. Under an EFTA-like organization, such a role would not be possible. "It would fail to deploy Europe's immense economic resources to the maximum advantage and it would fail to satisfy the aspiration of the people of Europe," an EC Commission White Paper reports. Integration is not an impracticable goal, its supporters argue. In its 28 years the EC has made far greater strides than might ever have been expected, and there is no reason to think that it will not continue to do so.

The European Community will face challenges in the next 10 years that are vastly different from those it faced in its first 28. How can it prepare itself for the future? What role should the U.S. play?

5 **OPINION BALLOT on page 93** ▸

FOR DISCUSSION

1. What, in your opinion, are the prospects for eventual political unification of the EC? What are the major obstacles?

2. Do you think a united Western Europe would be a stronger political and military ally than a Europe of sovereign nations? Should the U.S. continue to support European political unity? Why or why not?

3. What are the principal U.S. grievances against the EC's trading policies? the principal EC grievances against U.S. trading policies? How justified, in your opinion, are these reciprocal grievances?

4. What do you think are the main causes of the record U.S. 1985 trade deficit? What steps do you think the U.S. should take to improve its trading position?

5. With the benefit of hindsight, was the U.S. right to have given enthusiastic support to the formation of the EC? Has the EC fulfilled U.S. expectations?

6. How does the enlargement of the European Community affect U.S. economic interests in the short run? in the long run? Is enlargement a net benefit for the U.S.?

7. What effect do you think enlargement will have on the Community? Do you think 12 will be more successful than 10? than 9? than 6?

8. If you were Spanish or Portuguese, would you favor or oppose entry into the European Community? Why or why not?

9. U.S.-European relations have been disrupted over the past few years by disagreements over political issues. How serious do you think these disagreements are? How important do you think European concurrence with U.S. policy positions is?

10. If the Europeans were setting up the EC today instead of in 1957, how do you think their goals might differ? What do you think will be the main challenges the EC will face during the rest of the decade? Do you think it helps or hurts them to be dealing with their problems as a common market, rather than as individual states?

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For further in-depth reading, write for the GREAT DECISIONS *'86 Bibliography (see page 2).*

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6

Third World Development

OLD PROBLEMS, NEW STRATEGIES?

In 1985, India became a net exporter of grain for the second year in a row. This was a remarkable achievement for a country that only 13 years earlier had struggled through a famine that cost it more than 1 million lives.

Ethiopia also suffered a severe famine in the early 1970s. Disillusioned by the inability of Emperor Haile Selassie to cope with the crisis, a military junta took control in 1974. Development experts said of Ethiopia's famine, "never again." But a decade later, Ethiopia was in the grips of a famine that threatened 10 times the number of lives of the earlier one.

Two conclusions are obvious: first, development is possible; second, it doesn't always happen. What did India do right? How can the U.S. encourage similar successes?

These are the questions at the heart of U.S. relations with the "less-developed countries" (LDCs) which make up the Third World. A grouping so broad is necessarily diverse. Yet, these countries, which include close to 70% of the world's population, do share characteristics that set them apart from the 19 Western countries of the First World and the 8 European Communist countries of the Second World. Up until the 1950s, many Third World countries were British, French, Belgian or Dutch colonies. They share a legacy of colonial economies directed toward cash crops, such as peanuts, cacao or coffee, for export. Most of their political structures are new and often shaky, which may be one reason for the establishment of authoritarian regimes in almost half of the countries. The least developed of the countries are extremely poor and have high levels of disease and illiteracy, rapid population growth and high mortality rates.

Underlying U.S. policy is the assumption that alleviation of these economic, social and political problems—in other words, development—is both good in itself and in the U.S. interest. As former president of the World Bank Robert S. McNamara put it, "Growing numbers of poor people living in misery and devoid of hope are at least as great a threat to world order as superpower military rivalry."

The meaning of development

Development is an issue in which both the problem and the solution are hard to define. The language of development implies a sort of linear progression, in which countries start out "backward" or "underdeveloped," then "take off" and travel along the path to "development." Defined this way, development is a catching up process—a race toward an agreed-upon goal.

But what is the goal? Values that the U.S. associates with development, such as democracy or human rights, may not rank first among goals for which developing countries are striving. An alternative list might include self-sufficiency (India, China); religious-based government (Iran, Saudi Arabia); social and economic equality (Tanzania). The U.S. has trouble understanding the Third

World because the U.S. does not accept non-Western goals. This ethnocentrism, a belief in their own superiority, tints much of what Americans write about developing countries, as even a casual glance at a newspaper shows. Of India's prime minister, Rajiv Gandhi, an author in one publication recently wrote: "He may wear a shawl and dress in plain white Indian pajamas in public, but in private he is a man of jeans and polo shirts." The inference is that Gandhi is more like Americans than other Indian politicians and is therefore more friendly.

The most dramatic example of the perils of ethnocentrism in foreign policy was the Iranian revolution of 1979, which took the U.S. by surprise. U.S. support for Shah Mohammad Reza Pahlavi's attempts to modernize and Westernize his country blinded Americans to the fact that the shah's policies ran counter to the wishes of a powerful segment of the population who valued political and social control of their society more highly than economic growth.

To try to take some of the subjectivity out of their analysis, development experts rely on numbers to measure stages of economic development. The most common measure is gross national product (GNP) per capita, that is, the total goods and services produced by a country divided by the population. This method is not without pitfalls. Averages do not tell how money is distributed. Also, high per capita GNP need not correspond to social or political indicators of development. Some oil-exporting countries with high per capita incomes are severely underdeveloped.

Using World Bank figures, the Third World or South can be divided into three economic groups: low income (a majority are African), middle income and upper-middle income (see Table). A fourth category is the handful of high-income oil exporters. The U.S. has the closest economic ties with the upper-middle income countries. Thirteen of them (Argentina, Brazil, Greece, Hong Kong, Israel, Mexico, the Philippines, Portugal, Singapore, South Korea, Taiwan, Thailand and Yugoslavia) are called newly industrializing countries (NICs) because of their success as exporters of manufactures.

Decolonization and development

The U.S., the Soviet Union and the rest of the Allied powers signed the Charter of the United Nations in 1945. In its ringing declarations the Allied powers advanced a new proposition: that it would be possible, and indeed practical, to improve the lot of the world's population.

The rapid pace of decolonization after the war presented the Allied powers with pressing humanitarian and strategic reasons to make development a priority. The newly independent states lacked infrastructure—electricity, roads, ports—and needed to educate and train their people. They were also strategically important as potential allies in the cold war.

The major international institution created to fund development was the International Bank for Reconstruction and Development (IBRD or World Bank). The bank is mainly endowed with Western monies. Although the Soviets sat in at the Bretton Woods Conference establishing the bank in 1944, they were not signatories to the agreement and also stayed out of other international financial organizations. They consider development the prerogative of "guilt stricken" colonial powers, which is one reason Soviet economic aid for African famine relief has been virtually nonexistent.

From the outset the industrialized North (U.S., Canada, northern Europe and later Japan) and the less-developed South had different ideas about development. The North, led by the U.S., believed protectionism (building trade barriers to keep out imports) had caused the Great Depression in the 1930s by forcing international trade to a halt. The North's recommendation for its own prosperity was free trade; surely it would work for the South as well. Therefore, the South should concentrate on exporting raw materials, foodstuffs or labor-intensive manufactures such as textiles and shoes in which they were most efficient, in exchange for Northern manufactures and technology. In the rapidly growing economy that would result, they argued, all would prosper, even the poorest, as development benefits "trickled down." What came to be known as the export-led growth strategy was adopted by Hong Kong and Taiwan.

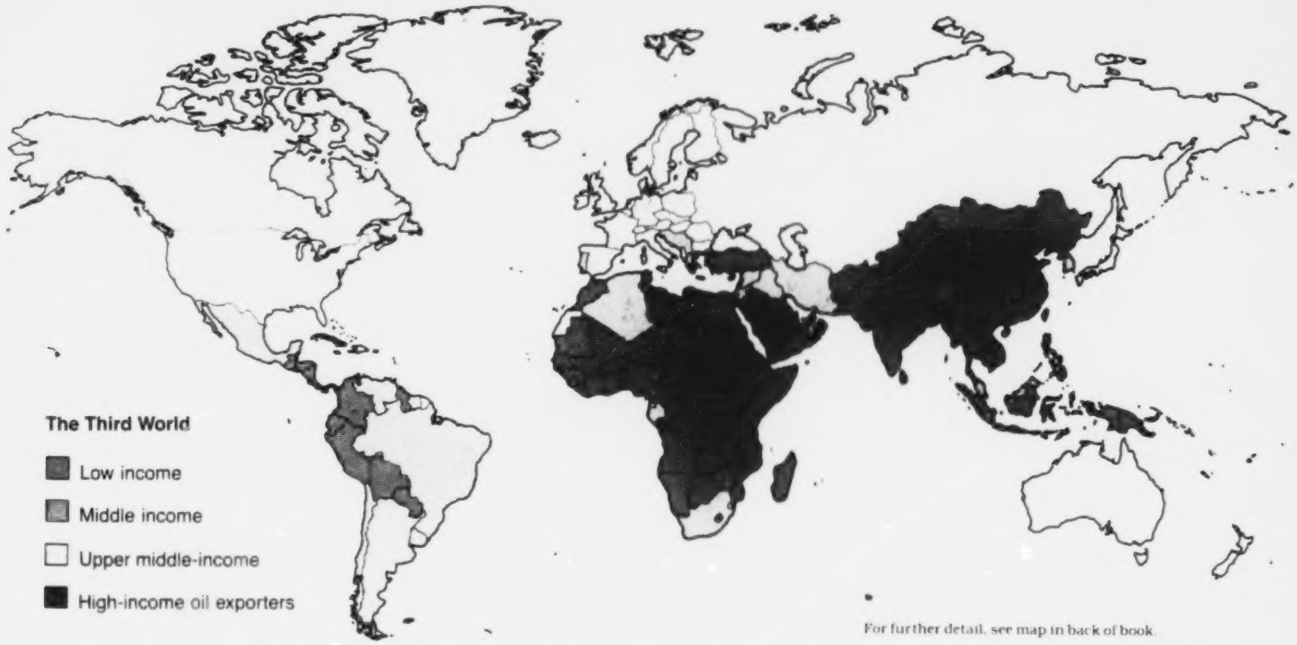
Many developing countries drew a different lesson from the Depression. As commodity exporters, most of them had suffered from the sharp drop in prices when Northern industries shut down and demand dried up. They therefore turned to policies of "import substitution"—producing those goods they had previously imported—in order to become less sensitive to global swings in price and demand. Invariably this involved industrialization—usually at the expense of agriculture. In order to protect their new "infant industries" from competition, they re-

Third World Economic and Social Profile

	Number of countries	Population in millions (mid-1983)	GNP per capita in U.S. dollars (1983)	Average annual growth of population in percent (1973-83)	Mortality rate of infants under age 1 (1983)[e]	Life expectancy at birth in years (1983)	
						male	female
Low-income countries[a]	33	590	200	2.6	115	50	52
China and India[b]		1,752	280	1.8	61	61	63
Middle-income countries[c]	37	665	750	2.5	87	55	59
Upper-middle income countries[d]	22	501	2,050	2.3	59	63	68
High-income oil exporters	5	18	12,370	5.1	90	57	60
U.S.		234	14,110	1.0	11	72	79

[a] Does not include China, Djibouti, Equatorial Guinea, Gambia, Guinea-Bissau and India. [b] China and India are low-income countries, but because they represent 50% of the Third World's population, they are listed separately. [c] Does not include Belize, Botswana, Guyana, Namibia and Swaziland. [d] Does not include Cyprus, Gabon, Suriname and Taiwan. [e] No. is per 1,000 live births.

SOURCE: *World Development Report 1985* (New York, Oxford University Press for The World Bank, 1985).



For further detail, see map in back of book.

stricted imports. Most Latin American countries followed this route.

The expansion of world trade in the 1950s and 1960s benefited both commodity exporters and industrializing countries, but it also revealed shortcomings in both development strategies. Heavily subsidized domestic industries were costly and inefficient. And raw-material exporters were hurt by the nose-dive in commodity prices after the Korean War (1950-53).

Studies, moreover, confirmed what was increasingly apparent: wealth did not always trickle down. In Panama, for example, an 8% increase in GNP resulted in only a 3% improvement in the income of the poorest. In Brazil, hunger and infant mortality actually worsened as the country prospered.

The U.S. responded by switching to a "basic needs" approach in its foreign aid in the early 1970s. This new policy emphasized provision of services to the poorest of the world's population to stimulate economic growth over the long term regardless of the development policies their governments followed.

Oil crunch

The oil price hike in 1973 by the Organization of Petroleum Exporting Countries (OPEC) changed dramatically the relationship between the Third World and the developed countries. Gasoline lines in the U.S. were a visible sign of the power that a small group of Third World countries wielded. Even though non-oil-producing LDCs' economies were badly hurt by the oil price rise, they saw in the OPEC cartel a model for asserting their weight. Together they called for a New International Economic Order (NIEO) geared to Third World needs.

Adopted by the sixth special session of the UN General Assembly in 1974, the NIEO sought, among other things, nondiscriminatory treatment for the South's manufactured goods, commodity agreements, debt renegotiation and codes of conduct for multinational corporations.

While the rhetoric of the NIEO and OPEC grabbed headlines, the most important change in U.S.-Third World relations was taking place behind the scenes. Third World growth, already strong in the 1960s, took off in the 1970s, helped by a boom in commodity prices as well as the spectacular economic growth of the newly industrializing countries. In that decade, the Third World's GNP grew 5.8%, compared with the industrialized countries' 3.3%.

In the process, the Third World became an important American market. U.S. exports to Third World countries grew 6% annually, and by 1980 accounted for 38% of all U.S. exports. Commercial loans by U.S. and other banks to the Third World—Latin America in particular—rose from $10 billion in 1973 to $49 billion in 1980. And by 1980, nearly one quarter of U.S. overseas investment was in the Third World.

The degree of interdependence between the U.S. and the Third World did not become fully clear until the economic shocks of the late 1970s: the second jump in oil prices in 1979, followed by a drop in the prices of commodities, high interest rates and a worldwide recession.

The recession meant the Third World bought less from the U.S. As a result, over half a million U.S. workers in export industries lost their jobs, according to the Overseas Development Council, a Washington-based research organization. By 1983, income from U.S. investment in Latin America had dropped to only 4% of its 1980 values. Rising interest rates made it increasingly difficult for major Third World borrowers to pay the billions of dollars owed on their loans. The debt crisis threatened the solvency of major U.S. banks.

Economic hardships widened splits that had always existed in the Third World. Richer countries put long-term development projects on hold while they scrambled for new sources of credit. The poorest, uncreditworthy to begin with, struggled simply to stay in place.

The response from newly elected President Ronald Reagan was an affirmation of free enterprise. "Free people build free markets that ignite dynamic development for everyone," he declared. "What we will seek to do. . .is examine cooperatively the roadblocks which developing countries' policies pose to development, and how best they can be removed."

What are some of those roadblocks? Do some development policies lead to success, others to failure? What can the U.S. learn?

Lessons from success

FOUR EAST ASIAN countries—Singapore, South Korea, Taiwan and Hong Kong—are, by most measures, the outstanding development success stories of the past 40 years. In 1981 the "four little dragons" accounted for more than 60% of all Third World manufactured exports, and their phenomenal growth rates have survived the economic dislocations of the past few years.

The "gang of four," as they are also called, have been successful even by the standards of their fellow yuppies of development, the newly industrializing countries. From 1960-78, while per capita income in the developing world grew by 3%, theirs grew by 6%. The four little dragons also score well on other development measures. They have high literacy rates and their income distribution is fairly even.

These East Asian countries followed an export-led growth strategy with a vengeance. Their paths to development share several characteristics.

First, they are all active traders. Singapore and Hong Kong were founded by the British in the early part of the 1800s to act as entrepôts or trading stations for British ships en route to India and China. When the UN embargoed trade with mainland China during the Korean War, Hong Kong found its livelihood as entrepôt threatened. Not having a large enough home market to contemplate seriously "import substitution," Hong Kong turned to the manufacture of consumer products. Singapore did take the import substitution route for a while. But after the 1965 failure of its merger with neighboring Malaya to assure itself a market, Singapore began concentrating on exports.

Taiwan and South Korea, after regaining their independence from Japan at the end of World War II, were brought into the trading system by their close association with the U.S.

Second, these countries have made economic growth their first priority. Unlike most Third World countries, they did not overvalue their currencies, which made their exports less expensive and more competitive. In the process, nongrowth goals, such as democracy and human rights, have taken a back seat. Singapore and Taiwan are effectively one-party states. South Korea has been governed since 1963 by strong presidents backed by the military. Hong Kong is a British colony.

Third, they have actively solicited private investment to help pay for development. In the 1960s, for example, South Korea began encouraging foreign investment. (As recently as 1957, 88% of South Korea's exports were agricultural and its per capita GNP of $50 was less than India's.) The result was a flood of corporate investment. By the early 1970s foreign lending financed over one third of South Korea's gross investment.

Fourth, these countries, particularly South Korea and Taiwan, have profited from high levels of aid. South Korea received $3.2 billion in economic and $1.8 billion in military aid from the U.S. between 1946 and 1961, 11% of total U.S. aid to the Third World during that time, and Taiwan received $4.4 billion, of which $2.5 billion was military.

A fifth characteristic is the high quality and ample supply of human resources. The countries' physical resources are varied: Taiwan has a lot of land, Singapore and Hong Kong almost none. But their populations are well-educated and motivated. Some observers have attributed their success to a Confucian ethic, which, they say, produces individuals who are willing to place national or corporate goals ahead of individual ones.

The Reagan approach

The East Asian model has been an appealing one for the Reagan Administration. Reagan said in his State of the Union speech in February 1985, "America's economic success is freedom's success; it can be repeated a hundred times in a hundred different nations. Many countries in East Asia and the Pacific have few resources other than the enterprise of their own people. But through low tax rates and free markets, they've soared ahead of centralized economies."

The characteristics of East Asian development are echoed in the Administration's development strategy, which emphasizes open markets, trade and private investment.

The Administration has tended to put less emphasis on the importance of aid, but in October 1985, Treasury Secretary James A. Baker 3d announced a revision of the Administration's policy. Speaking at the 40th annual meeting of the World Bank, Baker said that the Administration would support the creation of a $2.7 billion lending pool to help the poorest of the Third World nations. However, he did not commit the U.S. to contributing to the fund at this time. The Administration's previous position had been that austerity measures and internal reforms would be sufficient to put countries on the path to growth.

The Administration's development strategy has received support from the World Bank and has been adopted by many Third World countries, among them Malawi and Chile.

Even countries that have not embraced free enterprise have been receptive. In June 1985, Rajiv Gandhi arrived in the U.S. to talk to American businessmen about potential U.S. investment in India. Gandhi's openness to new foreign investment was all the more remarkable in light of a disastrous toxic gas leak at a Union Carbide plant in Bhopal in 1984, which killed over 2,000 Indians.

Does export-led growth always work?

The Administration's most ambitious attempt at promoting export-led growth has been the Caribbean Basin Initiative (CBI), proposed by Reagan on February 24, 1982. The CBI is intended to encourage development in 20 Caribbean countries (among them Honduras, El Salvador, Barbados, Jamaica and Panama) by providing incentives for foreign investment and trade. The centerpiece of the plan is a one-way "free trade area," which enables designated countries to export certain products to the U.S. duty free.

Though it is still too early to make a definitive judgment, the first-year results of the CBI were disappointing. Imports into the U.S. of designated products did increase by 17%, as compared with only 6% from nonparticipating Caribbean countries. But U.S. imports from all countries increased by 26% in 1984.

South Koreans at work at Samsung Electronics plant.

One reason behind the lackluster results was that many of the Caribbean's major exports were not included in the CBI. Textiles, a major Caribbean export, were excluded because of the potential damage to the American textile industry. Sugar exports were subject to strict quotas, which were not increased by the CBI. And nontariff barriers kept out other products.

The experience of the CBI suggests that an open trading system is a prerequisite for successful export-led growth. The World Bank estimates that if the North dismantled trade barriers against manufactured goods from the developing countries, the South could earn $24 billion a year, which is nearly the amount it receives in aid.

Paradoxically, the goal of open trade becomes more elusive the more some countries succeed as traders. The four little dragons, for example, accounted for 30% of the U.S. trade deficit in 1984. It is their success, and that of the other NICs, that has added to protectionist pressure in Congress.

Exception or rule?

Can East Asia's success be duplicated? Some experts believe the answer is no. Professor Manfred Bienefeld of Oxford University attributes their success to specific changes in the international environment that took place in the early 1970s—and are not likely to be repeated. For more than 15 years prior to 1973, the developing world's share of global manufacturing remained largely unchanged. Then, the first oil crisis presented the developed countries with an urgent need to reduce the costs of their production. Investors began to look further afield for projects that would give them a better return on their money than those that were stagnating in the U.S. "The result," he argues, "was a new world in which both producers and retailers sought new sources of supply from a few politically reliable and economically relatively advanced cheap labor economies."

Certainly the free market and export-led growth strategy has not proven to be a panacea. In 1985, China began a review of its much-touted economic reforms. The introduction of market incentives has had a dramatic effect on agriculture. Wheat production increased 40% from 1982 to 1984. But the performance of the Shenzhen Special Economic Zone and the three other special investment enclaves has been disappointing. These zones were expected to attract foreign investment and technology and increase exports because foreigners would be allowed to run the factories with comparatively few restrictions, using free market incentives if they wished. But the zones have been a drain on China's foreign exchange; there has been corruption; and exports have not increased significantly.

Other critics argue that export-led growth works, but it is only likely to benefit countries that are already on the way to development. This has been the U.S. experience with the Generalized System of Preferences (GSP). The GSP was proposed at the first UN Conference on Trade and Development in 1964. Under the system, industrialized countries participating in the program would agree to lower their tariffs on certain imports from developing countries, without requiring the latter to reciprocate. The U.S., initially opposed to the GSP, set up a program in 1974. Under the GSP, the U.S. allowed tariff-free entry of certain imports, primarily manufactured goods.

Overall, the program has succeeded. In 1983, $10.8 billion worth of Third World imports (4.2% of total imports) came in under the GSP. But only a fraction of the developing countries have benefited: 86% of the imports in 1983 came from only 15 countries; 11 of these are upper-middle income. The less-developed countries have been left behind because their major exports are not on the list of eligibles and they do not have the resources to switch to manufactures that are. Moreover, the U.S. will not expand the list of eligibles.

Critics ask: if poor countries can't take advantage of the GSP, which is supposed to help them, how can they be expected to take advantage of the free market, in which they must compete against countries with far greater resources?

Other successful models

In the East Asian model, economic growth ranks as the first priority. Are there other development successes that are based on other goals?

Self-sufficiency. India has been described as a "closet" Northern country. Because of its low per capita GNP, India is considered a low-income country. But in industrialization and food production it rivals the most-developed countries.

India's success has been attributed to the fact that it put self-sufficiency, and to some extent equity, ahead of growth. Since its independence in 1947, India has emphasized the importance of agricultural development. Under the leadership of Jawaharlal Nehru, the government declared "the whole success and failure of all our planning hangs by the single thread of our agricultural production and, especially, food production."

The Green Revolution in the 1960s made dramatic increases possible. As a result of technological advances in fertilizers and seeds, India increased its yields of wheat. Drought and distribution problems caused famine in 1973 and 1974, but India rejected the advice of some industrialized countries that it turn its attention to industrial exports. Instead, the country continued to invest in food while producing consumer goods for domestic use.

This model has its costs: inefficiency and a slower rate of economic growth than India might otherwise have had. Growth advocates say that India could have achieved the same results, or better, by concentrating on exports. Reforms, introduced by Gandhi in March 1985, that loosen the government's control on the economy may reflect a determination on the part of India to change its goals now that food self-sufficiency has been achieved and a strong industrial base has been built.

Non-Western development. A country need not model itself on Western countries to attain development. Japan, for example, successfully modernized in its own way. Nonetheless, "culturally appropriate" development remains the most romantic yet difficult to achieve of the models. Iran chose the Islamic model (see Topic 8); other countries, such as Saudi Arabia, chose a less radical version of this model.

The Sarvodaya movement in Sri Lanka is one of the more successful cases. The movement (Sarvodaya means awakening) was founded by a Sri Lankan college instructor in 1958. It is a combination of a self-help movement and an attempt to encourage Sinhalese culture.

Reaping India's abundant harvest.

Sarvodaya volunteers go to Sri Lankan villages and work to create a clean environment, pure water and an adequate food supply. They also teach the village youth classical dance, poetry, folk drama and song. Until 1978, their efforts were complimented by Sri Lanka's prime minister. The current prime minister is more committed to industrialization than to grass-roots development.

Human resources. Most of the countries that achieved independence after World War II found themselves with few native engineers or teachers. Algeria, for example, had only six engineers and all had been trained abroad. The result was dependence on foreign experts.

Some organizations, such as the Peace Corps and the United Nations Development Program (UNDP), have made the training of the local population a first priority, believing that a country with an educated populace could pick its own path to development.

The UNDP claims among its successes the Caribbean country of the Dominican Republic. The UNDP began its assistance to the Dominican Republic in 1962. As the country had a shortage of engineers, the early efforts concentrated on basic projects, such as a survey of natural resources, curriculum development and public administration.

The UNDP then worked to expand and diversify the production of basic food crops. The Dominican Republic is now self-sufficient in rice, sweet potato and corn. The UNDP also encouraged tourism by establishing a hotel training school.

Critics argue that development plans are transferable. Said Secretary of State George P. Shultz: "People, if they have a choice, want economic growth." Critics say these advocates, in their eagerness to provide human resources training, may overlook the real causes of underdevelopment: government policies that inhibit growth.

The challenge of Africa

THE 45 COUNTRIES that make up sub-Saharan Africa have the lowest standard of living in the world, and it is getting worse. Since 1981, per capita income has dropped more than 3% annually and the World Bank predicts its continued fall through 1995.

The African continent is rich in minerals. It has other natural resources, including hardwoods, cacao, palm oil and palm nuts. Although much of the soil is thin and fragile, only 8% of the sub-Saharan population live in countries that are considered desert, such as Chad and Mauritania.

During the 1960s, economic growth in sub-Saharan Africa was respectable. So was food production: the continent produced 98% of its own food. Analysts projected that in the 1970s, countries such as mineral-rich Gabon, Nigeria, Zimbabwe and Guinea would see a 7% growth rate. But since the 1970s Africa has been afflicted with a series of problems, the most immediate of which is a famine that until recently threatened the lives of 150 million people.

The immediate cause of the famine is a drought that lasted two years and, unlike most droughts, affected almost every country in Africa. It has been called the "drought of the century." Between 1981 and 1983 food production dropped dramatically by an average of 15%.

The developed countries' response was generous. On top of food contributions from governments, private efforts, such as the "Live Aid" concert and the "We Are the World" record, have raised more than $100 million. Almost immediately, however, it became clear to donors that Africa's problems were long term and would not disappear with the drought.

The drought is only one of several factors that brought famine to Africa. Africa has the most rapid population growth in the world, and it is accelerating. It was 2.3% in 1960 and 3.1% in 1985. The current population of 559 million is likely to double by the end of the century.

A variety of reasons explain the

rapid population growth. Birth control devices are not readily available and are relatively expensive. The infant mortality rate is high, which makes having a lot of children a rational calculation. (In Sierra Leone, 198 out of 1,000 children under the age of one die, compared with 11 in the U.S.)

Cultural factors play an important role. In Africa, explains Brian Walker, president of the International Institute for Environment and Development and author of *Africa Tomorrow*, "the large family—15 or 20 children—is a sign of God's approval and continuing support. . . ."

Political instability contributes to the problems of population by creating large numbers of refugees. According to the World Bank, there are now 2.5 million refugees in Africa. Sudan, once expected to be the "breadbasket of Africa," is not even able to feed its own people because of an influx of refugees from civil wars in Ethiopia and Chad.

The population puts pressure on the land. It forces the extension of agriculture to marginal areas and the result can turn fields into desert and forest into barren expanses, making the land permanently unusable. The World Bank estimates that at the current rate of population increase, the cultivated area of Africa will have to expand by 64% to supply the same amount of food per capita in 1992 that it does today.

Some analysts think that a solution to the population problem is a necessary first step to African development. Without it, all other solutions will fail. The World Bank predicts that if the worldwide recovery slows, sub-Saharan African economies will suffer a fall in per capita income of 0.7% a year from 1985 to 1995.

Colonial legacy

Others say the problem is not overpopulation but Africa's poverty. The causes of that poverty, they argue, are the colonial legacies and continuing international inequities.

The colonial powers that carved up Africa paid little heed to the traditional nomadic patterns that the Africans had used to survive their continent's temperamental climate, such as moving away from northern droughts or changing location when a river disappeared. This adaptability, writes Brian Walker, enabled precolonial Africa to produce a variety of foods, but it ended when the continent was divided into states with little regard for ethnic or geographic boundaries.

The colonials also concentrated on producing export, or cash, crops rather than food crops and the roads were built to facilitate exports, not distribution of food. The result is that cash crops occupy valuable land that could be used to produce food for domestic consumption. Writes Wellesley College political scientist Robert L. Paarlberg, ". . .many nations in Africa, South Asia and Latin America use scarce agricultural resources to produce coffee, cocoa, sugar, jute or bananas for export to wealthy customers abroad." If that land were used for cereal, Africa and Latin America would no longer need to import grain.

Also, countries that concentrate on exports of raw materials may find themselves doubly damned in case of a famine: they do not have the money to buy food and they do not have any home-grown food. Chad, for example, had a large cotton harvest in 1984, but its people starved.

Most importantly, Africans contend that their dependence on export crops has left them in a weak bargaining position vis-à-vis the rest of the international community. Although the volume of their exported crops expanded by 1% a year between 1980 and 1982, the prices dropped by 27%.

This lack of purchasing power is a major reason Africans are hungry and cannot afford to buy foreign food. The entire shortfall in grain in 1985 in those countries bordering the Sahara Desert was estimated at 3 to 4 million tons, while the world held grain surplus stocks of nearly 190 million tons. The world is literally "awash in grain," and yet Africa cannot afford to eat.

Exacerbating the problem is Africa's debt crisis. While not nearly as threatening to American banks as Latin America's crisis, the sums involved are large. Total debt grew to $170 billion in 1985 from only $5 billion in 1970. Debt service absorbs from 30% to 80% of Africa's export earnings. "Little is left over for economic development," said Frank Wisner, deputy assistant secretary of state for African affairs.

How can Africa overcome its poverty or, more specifically, increase its food production?

Africa's spreading desert.

"It is the obligation of poor countries to recognize that the largest potential for increased food production lies within their own borders," asserts Paarlberg. He says that two factors have helped cause Africa's food shortage: government policies that discourage farmers from growing food and the low priority given agriculture, as compared with industry. Africa has the lowest level of fertilizer consumption in the world and is the only continent where tractor use is declining.

Governments' failure

The East African country of Tanzania is a place where government recognized early the importance of agriculture for development, but its planning reduced farm output and resulted in famine. The government regulated the prices of all food crops and kept the prices low so that the urban population could afford food. As a result farmers turned to the black market, where they could get more money, and they sold to other countries. The government also kept the currency overvalued, one analyst says by as much as 500%, to keep imports for its people inexpensive. Consequently farmers' exports were expensive and uncompetitive.

The results have been devastating for Tanzania and other countries that followed the same route. Output of its major crops, sisal and cashew, dropped 60% and 50% respectively during the 1970s. In one year, 1982-83, Tanzania's GNP dropped 5%, which, combined with its population growth of 3%, meant a per capita drop of 8%.

Ethiopia combined disincentives with a general disregard for agriculture. Soon after taking over in 1974, the Marxist government of Mengistu Haile Mariam abolished private ownership of land. Mengistu's development plan emphasized industrialization. Small farmers cultivate only 15% of the country's arable land.

In 1982, Mengistu was warned of the impending famine by a group of outside experts who recommended immediate food rationing and a new emphasis on rural development. Instead, he bought about $2.5 billion worth of arms from the Soviet Union, a purchase equal to 46% of Ethiopia's GNP.

The Reagan Administration and the World Bank have focused on governments' responsibility for the famine. They have recommended policy reforms that would make African countries more efficient commodity exporters—the only path to development for Africa they consider realistic for now. In 1984 the Administration proposed a special aid fund for countries willing to adopt "more dynamic growth-oriented economic policies," such as Zambia, Malawi, Mali and Rwanda.

One of the 15 countries that has responded to the call for economic reform is Zaire. In 1983, Zaire devalued its currency by 80%. It eliminated price controls on agricultural production and reduced its budget deficit. The U.S. signed an investment treaty with it and pledged aid. Zaire's economic performance has since improved, but 50% of its budget goes into debt repayment.

In 1981, the Organization of African Unity (OAU) adopted its own plan for long-range African development: the Lagos Plan of Economic Development of Africa in 1980-2000. It calls for an increase in African food production by building an integrated African market and decreasing African reliance on the international market.

The plan has been criticized on the ground that Africa has no choice but to take part in the international market. The only way its economies will grow fast enough to feed its population is by increasing exports of those commodities that it is already able to produce.

The role of aid

FEW PIECES OF LEGISLATION are as difficult to get through Congress as those dealing with foreign aid. The two houses of Congress were unable to agree on a bill for four years in a row, but in 1985 they ended their stalemate and authorized $12.7 billion in foreign aid for each of the next two years.

Disagreement over specific policies, such as aid to the Nicaraguan contras, has produced bottlenecks. (See Topic 1.) But a fundamental disagreement is over the general purpose of foreign aid. Some think U.S. goals should be strictly humanitarian. Others see aid as but one more tool of foreign policy. In truth, since the government has been involved, aid has always been a mixture of both.

Before World War II, most aid was private, generally humanitarian, and small. In the 1840s, Americans sent hundreds of thousands of dollars to the Irish during the potato famine. Following World War I, Americans sent $29 million to help Europe. The success of that effort helped get its organizer, Herbert Hoover, elected president.

After World War II, the government became involved in aid-giving in a major way, beginning with the Marshall Plan, designed to steer $13 billion to the war-ravaged people of Europe. That concern dovetailed with America's security interests, which were to have a strong Europe.

Most major aid efforts since then have had similar rationales. John F. Kennedy's Alliance for Progress was designed both to help Latin America and to stop it from going Communist following Castro's revolution. (See Topic 3.) More recently, Reagan requested $8.9 billion over six years for Central America, both to alleviate poverty and to prevent the spread of communism from Nicaragua and Cuba.

During the 1970s, concerned that aid was too closely linked to security goals, Congress passed legislation that set priorities for foreign aid. At the top of the list were alleviation of poverty and promotion of self-sustaining growth with an equitable distribution of benefits.

The Reagan Administration has not changed these priorities, but it has added to them its own "four pillars": policy dialogue between the U.S. and the recipient government; encouragement of private sector initiatives; technology transfer; and institution building, which means development of schools, agricultural cooperatives and governmental institutions necessary for effective government.

Reagan's request

The foreign assistance plan proposed by Reagan for 1986 was 63% larger than the plan he inherited in 1981. The distribution of aid reflected the Administration's concern with security. The request covered three major categories.

The largest part was the $6.2 billion proposed for direct military assistance. This part of foreign aid has grown by over 100% since Reagan took office and most of the money goes to six countries: Israel, Egypt, Turkey, Greece, Spain and Pakistan.

The President also requested $4 billion for an Economic Support Fund (ESF). The Administration classifies this as economic assistance since recipients spend the money on development. Others, including some members of Congress, think it should be classified as military aid since it only goes to countries that are of strategic importance to the U.S. and it enables recipients to spend more of their own money for military purposes. ESF aid is up 91%. Major recipients are Israel, Egypt, Pakistan, El Salvador, Turkey and Sudan.

The Administration proposed spending $5.3 billion on development assistance. Most of that money is administered bilaterally by the U.S. Agency for International Development (AID) in the form of loans and grants, along with the Department of Agriculture's Food for Peace program, which provides surplus U.S. grain to developing countries. About $1.3 billion is given to multilateral agencies, such as the World Bank. Development assistance is up 20%.

Aid alternatives

■ Should the U.S. increase its aid?

Those who say No point out that the U.S. already pays out more money than any other country. In a time of budget cutbacks, when there is hunger and unemployment in the U.S., aid money should be spent at home.

Critics, such as British economist P.T. Bauer, question whether more aid is necessarily better aid. In some cases, they argue, aid has actually damaged the recipients. The Food-for-Peace program has discouraged local farmers from growing grain since they must then compete in the marketplace with the cheaper, U.S.-subsidized grain.

Those who say No also doubt that increasing aid is in the U.S. interest. They point out that it has not succeeded in "buying" friends for the U.S. in the Third World.

Those who favor increasing aid argue that the U.S., with all its wealth, has a moral responsibility to help the world's poor. Aid is approximately 2% of the Federal budget and the U.S. contribution is stingy compared with those of other developed countries. Of 17 major aid donors, only two countries give a smaller percentage of GNP. Supporters do not accept the argument that the money is not there. They point out that the Administration was able to find money to increase greatly the sector of aid it found most important: military. Even if overall aid levels cannot be increased, they argue, the money that is available should be shifted toward aid for development purposes and toward poorer countries.

Furthermore, the aid budget is, in the words of the State Department, "the foreign policy budget of the U.S." Most of it does go to countries that are proven allies, and, in the case of Egypt and Israel, it has helped support a tenuous Middle East peace which is in the U.S. interest.

■ Bilateral vs. multilateral aid

The Reagan Administration has cut back on aid to multilateral organizations. Multilateral aid as a share of total aid has dropped from 12% in 1981 to 9% in 1986.

The Reagan Administration argues that bilateral aid is more effective. It enables the U.S. to send money to countries with which it is friendly, for example El Salvador and Honduras, and away from countries considered unfriendly, such as Tanzania.

A particular concern is that international lenders give money for projects that could be privately financed. For example, the World Bank is trying to establish a special energy affiliate. But, the Administration argues, private oil companies would willingly invest in profitable projects, and there is no reason for the World Bank to start up unprofitable ones.

U.S. Bilateral Foreign Assistance
(FY 1986 budget request)

	Development assistance (millions of U.S. dollars)		Security assistance (ESF)[1] (millions of U.S. dollars)		Military assistance (millions of U.S. dollars)		TOTAL
Low-income countries	(33)[2]	906.8	(11)	490.3	(32)	500.1	1,897.2
Middle-income countries	(27)	1,187.5	(22)	1,889.5	(33)	2,830.1	5,907.1
Upper-middle income countries	(1)	22.6	(4)	1,340.0	(19)	2,801.0	4,163.6
High-income oil exporters	—	—	(1)	20.0	(1)	58.5	78.5
TOTAL	(61)	2,116.9	(38)	3,739.8	(85)	6,189.7	

Source: U.S. Department of State

[1] ESF: Economic Support Fund
[2] Numbers in parentheses refer to the number of countries receiving aid.

Those who disagree say that increased bilateral aid is likely to mean that the bulk of U.S. aid is going to countries that are not that underdeveloped. More than half of U.S. aid goes to countries that have a per capita GNP ranging from $1,240 (Turkey) to $6,250 (Oman).

Furthermore, bilateral assistance is not necessarily more efficient. The major U.S. aid recipients in Africa are Sudan, Kenya, Somalia, Liberia and Zimbabwe—all countries chosen because of political interests, not need.

Supporters argue that multilateral aid can be more effective. Institutions such as the World Bank are preferred by the the developing world, they argue, because they are nonpolitical.

■ Private vs. public aid

"Prosperity cannot be restored by raids upon the public treasury." Herbert Hoover's remark has proved a rallying cry for a group of people who contend that much of the development aid that the U.S. disperses could be replaced by private efforts, either in the form of charitable contributions or corporate investments.

Advocates argue that American people have been generous in the past in contributing to developing countries suffering famine or other crises. Because humanitarian aid tends to go directly to the poor rather than to governments, it would actually be more beneficial to the poor and would depoliticize aid.

"Judgments as to moral responsibility for the world's poor are best left to private individuals and organizations, not government officials," writes Doug Bandow of the Heritage Foundation.

Those who favor public dispersal of aid point out private humanitarian aid is likely to be crisis-oriented. It is far more difficult to mobilize the sums required for long-term development. According to the Overseas Development Council, private voluntary organizations were only able to raise $800 million by mid-1985, and many needed U.S. government help to conduct their programs.

They do not agree that charitable aid is necessarily nonpolitical. Some private charities have political agendas that do not necessarily further U.S. interests. The government is best positioned to direct aid to those countries that for strategic, economic or moral reasons should receive it.

In 1985, the famine in Africa captured U.S. attention and made evident the failures of development. But there are successes. In what ways can the U.S. best encourage development?

6 OPINION BALLOT on page 93 ▸

FOR DISCUSSION

1. Is U.S. security threatened by Third World poverty? Should the U.S. devote greater attention to the development of some regions in the world than others? Which ones and why?

2. Development is both a process and a goal. How might an Iranian ayatollah define development? An Indian farmer? A Nicaraguan peasant? A middle-class American?

3. Middle-income countries receive approximately half of U.S. bilateral aid. The poorest countries receive 15%. What priorities should the U.S. use when deciding how to allocate aid? Should the level of foreign aid be increased?

4. Egypt and Israel are the two largest recipients of U.S. aid. Both these countries at times have followed policies at variance with U.S. interests or policies. Should this influence the quantity of U.S. aid? Should the U.S. expect aid to buy friends?

5. In what ways are Third World countries dependent on U.S. economic growth? In what ways is the U.S. dependent on Third World growth?

6. What is the key to the success of the "four little dragons"? What do you think other countries can learn from them? Are there parts of their development strategy that you think other countries should avoid?

7. What do you think is primarily to blame for Africa's development crisis: the legacy of colonialism? an inequitable world order? a lack of natural resources? poor economic management? a shortage of development aid? poor leadership? inadequate attention to the development of human resources? some combination of the above?

8. The world, in the words of one analyst, is "awash in grain." Yet, millions are starving. Why?

9. Many Third World leaders argue that the international order is inherently unfair, giving power to the rich and strong nations while leaving the poorer ones weak. Do you agree?

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For further in-depth reading, write for the GREAT DECISIONS '86 *Bibliography (see page 2).*

ILLUSTRATION CREDITS: p. 55, UN Photo/John Isaac; p. 59, AP/Wide World Photos; p. 60, UN Photo/Doranne Jacobson; p. 61, UN Photo.

7 Israel and the U.S.

FRIENDSHIP AND DISCORD

ISRAEL INVADED LEBANON in 1982 to secure the northern Galilee against terrorist attacks by the Palestine Liberation Organization (PLO). Three and a half years later Israelis are still paying a heavy price for the war. The PLO was routed from its Lebanese base and attacks on Israeli settlements in the Galilee have all but ceased, but at a cost of 650 Israeli lives, a $3.5 billion bill for defense and a deeply divided electorate.

Israel faces a deepening economic crisis—an economic growth rate close to zero, high inflation, high unemployment and a huge debt—and it is counting on U.S. help.

Israel and the U.S. share a commitment to democracy, and ethical and social values. They also have an interest in building peace in the Middle East between Israel and its Arab neighbors, and in keeping Soviet and radical Arab influence from growing in the region. Since Israel's birth in 1948, the two countries have maintained a close political, economic and military relationship which has survived periods of occasionally sharp disagreement. Since 1973, Israel has looked to the U.S. for substantial military and economic assistance. This assistance has helped bolster Israel's defenses and balance of payments, but it has also enabled the government to postpone necessary but unpopular measures to deal with its economic and financial problems. Israel received a $2.6 billion grant in fiscal year (FY) 1985, and over $4 billion in aid for FY 1986.

Although many Americans believe that supporting Israel is in the best interest of the U.S., others question the level of support and its effect on other U.S. interests in the region—especially at a time when the U.S. is facing large deficits of its own and is increasingly reluctant to spend more on foreign aid. There are strains in the relationship. Are they serious? Should the U.S. reexamine its policy?

Israeli troops leaving Lebanon in April 1985. In the background is a poster of Lebanese president Amin Gemayel.

A homeland in Palestine had been a dream of Jews around the world for almost 20 centuries, since they were scattered from their ancient land. The dream as formulated by 19th-century Zionists gained the support of a government when Britain issued the Balfour Declaration in 1917, which viewed "with favor" the establishment in Palestine (or Zion) of a "national home for the Jewish people."

The Arab community viewed the Balfour Declaration as a serious threat even though it promised the British government's "best endeavors" to ensure that "nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine."

From independence to uneasy peace

Britain governed Palestine under a League of Nations mandate for three decades, but in 1947, financially weakened by two world wars and exhausted by violence between Arabs and Jews, it placed the question of Palestine's future before the United Nations. The UN General Assembly, with the agreement of 33 of the 56 members, including the U.S. and the U.S.S.R., recommended partition of the territory into an Arab and a Jewish state. The Jews accepted but the Arab members of the UN rejected the plan, and when the British pulled out in May 1948, the armies of the neighboring Arab states invaded, plunging Israel into the first of six wars. From the 1948-49 War of Independence, Israel emerged with 21% more land than it would have received under the partition plan.

In 1956, Israel and the two former imperial powers in the region, France and Britain, attempted to seize the Suez Canal, after Egyptian president Gamal Abdel Nasser nationalized the French-dominated company that ran the waterway. The three powers were condemned by both the U.S. and U.S.S.R. Since then, the superpowers have contended for strategic primacy in the region.

Resolution 242

In the Six-Day War of 1967, Israel responded to Nasser's closing of the Gulf of Aqaba, Israel's only access to the Red Sea, by quickly overrunning Egyptian, Syrian and Jordanian forces. Israel acquired the Sinai Peninsula and Gaza Strip from Egypt, the West Bank (including East Jerusalem) from Jordan and the Golan Heights from Syria. Jerusalem, holy city to Jews, Christians and Muslims, had been divided from 1949 to 1967 into an Israeli western sector and a Jordanian eastern sector. Israel moved its capital to Jerusalem and opened it to visitors of all faiths.

UN Security Council Resolution 242 of November 1967 called for "withdrawal of Israeli armed forces from territories occupied in the recent conflict," and "termination of all claims of belligerency and respect for and acknowledgement of the sovereignty, territorial integrity, and political independence of every state in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force." Israel was originally prepared to return much of the territory in exchange for peace—it was, as then defense minister Moshe Dayan put it, just waiting for a phone call to begin the process. But the Arabs declared their resolve at the Arab League Council at Khartoum, Sudan, in 1967 not to recognize, negotiate with, or make peace with Israel. Egypt launched a 20-month-long campaign (known as the war of attrition) in late 1968 in an unsuccessful attempt to compel Israeli forces to withdraw from the area around the Suez Canal.

The October war

In the October 1973 war, Israel was attacked simultaneously by Syria and Egypt and initially suffered unexpected and heavy losses. The myth of Israeli invincibility, born of its earlier victories, suffered a blow in spite of Israel's subsequent victory. Financially pressed by a war which cost $12 billion and by the quadrupling of oil prices by the Organization of Petroleum Exporting Countries (OPEC) that followed, Israel looked increasingly to the U.S. for military and economic assistance.

Camp David accords

Following Secretary of State Henry Kissinger's successful "shuttle diplomacy" to conclude cease-fire and disengagement agreements between Israel, Egypt and Syria, the U.S. became more intimately involved in the peace-seeking process. UN Security Council Resolution 338 of 1973 called for an end to hostilities and the start of negotiations based on Resolution 242 "aimed at establishing a just and durable peace in the Middle East."

The culmination of U.S. efforts to resolve the conflict came under President Jimmy Carter, when Israel and Egypt signed the Camp David accords in 1978 that led to the first peace treaty between Israel and an Arab country. The treaty, signed March 26, 1979, contained two parts, one relating to the return of the Sinai and the other to Palestinian autonomy on the West Bank and Gaza. Israel returned the entire Sinai in 1982, but the Palestinian issue remains unresolved.

The Palestinian question

More than 700,000 Palestinian Arab refugees from the 1948-49 war settled in camps in Lebanon, Jordan, Syria, the West Bank and the Gaza Strip. The Arab states, with the exception of Jordan, declined responsibility for the refugees.

In the 1950s young Palestinians in Lebanon and Kuwait began to form resistance movements to regain their homeland. Arab leaders, fearing that these groups would turn against them, created the PLO in 1964 as an umbrella organization to control the Palestinian factions.

After the 1967 war, Palestinian guerrillas stepped up raids on Israel. A new generation of leaders, including Yasir Arafat, head of Fatah (Conquest), the largest Palestinian group, took control of the PLO in 1969. Jordan's King Hussein, concerned by the PLO's growing political power, expelled it from Jordan during a bloody war that began in September 1970 and cost several thousand Palestinian lives.

The PLO's political prestige soared after the October 1973 war. At an October 1974 Arab League Council meeting in Rabat, Morocco, the PLO was recognized as "the sole legitimate representative of the Palestinian people," and in November of that

President Jimmy Carter with Prime Minister Menahem Begin and Egyptian President Anwar al-Sadat at the signing of the Israeli-Egyptian Peace Treaty, the White House, March 26, 1979.

year Arafat addressed the UN General Assembly. The PLO was given observer status.

The PLO's fortunes plummeted during the 1975-76 civil war in Lebanon. The organization was battered by the Syrians and by divisions among its own factions. The Israeli invasion of Lebanon drove PLO forces out of Beirut and southern Lebanon in the summer of 1982, and Syria expelled Arafat from northern Lebanon a year later.

Palestinians in the West Bank and Gaza have lived under Israeli military rule since 1967. Under the Camp David accords, Israel was to withdraw its army and its civilian administration from the occupied territories and autonomy was to be granted to the Palestinians. After a transitional period of five years, the Palestinians were to determine their "final status." But the language of the agreement was intentionally vague, and the government of Prime Minister Menahem Begin interpreted it to mean continued Israeli control over the territories.

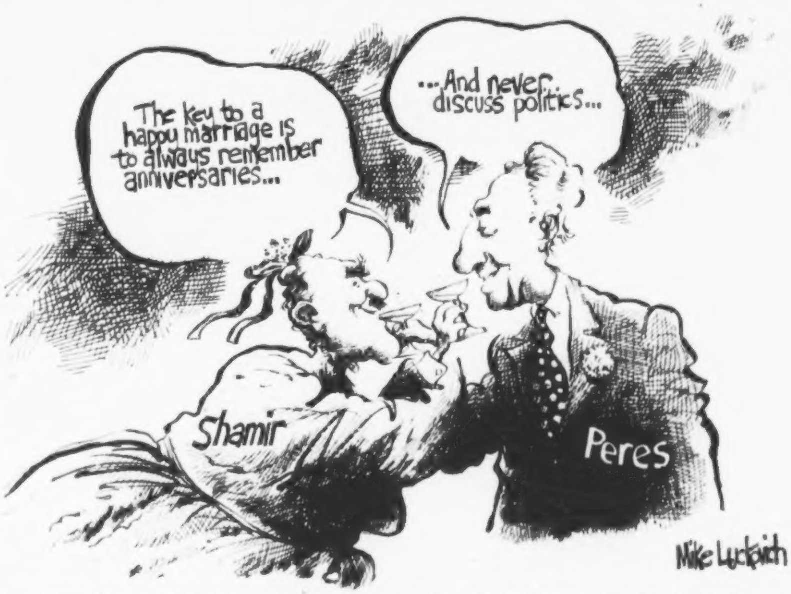
The lack of movement on autonomy negotiations between 1979 and 1982 and their complete breakdown afterward have frustrated the peace process between Israel and its neighbors. It has led to increasing confrontation between Arabs and the Jewish settlers on the West Bank. With the government's encouragement, the number of Israeli settlers on the West Bank has grown from 10,000 at the time of Camp David to 42,500 today. Israel formally annexed (extended Israeli law to) the Golan Heights in 1981, but it has not annexed the West Bank.

People, politics and problems

MOST EARLY JEWISH immigrants, before and after statehood, came from eastern and central Europe and are called Ashkenazim (from the Hebrew for Germany). To this day, these Jews dominate the government and the economy of Israel, holding most offices in the Labor party (which they founded and which, with various coalition partners, governed the country for its first 29 years), the Knesset (legislature), the cabinet and the giant labor union federation, the Histadrut.

But Ashkenazim are now outnumbered by Sephardic and Eastern Jews from the Islamic countries of North Africa and the Middle East respectively. Arriving in Israel soon after independence without the skills and education of the European Jews, Eastern and Sephardic immigrants usually filled the more menial jobs. Although their education level and socioeconomic status have improved significantly over the years and the rate of intermarriage with Ashkenazim is rapidly increasing, they still find themselves largely unwelcome in the Labor establishment and their culture looked down on. Begin's conservative party, Herut (Freedom), in opposition since independence, was successful in tapping the dissatisfaction of the non-European population, and won a crucial number of its votes in the election of 1977, which toppled Labor from power.

Israel is 82% Jewish. Arabs make up about 13% of the population, but these percentages are changing because the Arab birthrate is almost double the Jewish birthrate, and increasing numbers of Jews are emigrating (17,000 left in 1984). The government continues to encourage Jewish immigration to counterbalance this trend, most recently helping some 10,000-15,000 Ethiopian Jews (Falashas) escape the famine in eastern Africa.


The key to a happy marriage is to always remember anniversaries...
...And never discuss politics...
Shamir
Peres
Mike Luckovich

Judaism has not traditionally recognized a distinction between nation and religion, and the issue of religion's role in the state is sensitive in Israel. The ultraorthodox community is assertive and frequently clashes with the less observant majority. One of the main reasons Israel has no written constitution is that attempts to settle the issue in law have proven too divisive.

Israel is a parliamentary democracy, whose 120-member Knesset is elected for a maximum of four years by universal (Arab as well as Jew) suffrage on the basis of proportional representation. Voters choose parties, not candidates, and party lists determine who will hold office. Although the Knesset is officially the highest authority in the land, the prime minister and his cabinet actually hold most of the power.

Under the system of proportional representation, any party that wins 1% or more of the vote is guaranteed a seat in the Knesset, a practice which generates a proliferation of small, often single-issue parties. No party has ever won a majority of seats, so the winner must form a coalition with others in order to govern.

The two leading party groupings are the conservative, nationalist Likud (Unity), of which Herut is the largest member, and the more liberal Labor Alignment. Likud is opposed to returning the occupied Arab territories, and this has earned it the occasional support of parties like the National Religious party which believe that Jews have an inviolable right to all of biblical Israel, including Judea and Samaria, or the West Bank. Until the 1984 election, Labor was aligned with liberal parties opposed to Likud's West Bank settlement policies and with the more left-wing Mapam (United Workers) party.

The 1984 election was a virtual draw, with Labor winning 44 seats (17 short of a majority) to Likud's 41. To free policymaking from paralysis and political blackmail by the smaller groups, Labor and Likud forged a national unity coalition. The new government took over in September 1984 with Labor leader Shimon Peres as prime minister and Begin's successor in Likud, Yitzhak Shamir, as deputy prime minister and foreign minister. Peres and Shamir are due to switch jobs in September 1986, halfway through the four-year term. They disagree on major issues, but so far the deal has held.

Arabs in Israel

Israel's 700,000 Arabs (not including those in the occupied territories) are Israeli citizens with the same formal rights as Israeli Jews, but they remain a people apart. Most speak a different language and live in separate communities from the Jewish population. At independence, a substantial part of the Arab community was illiterate, there were few professionals and only one judge. Today the average Israeli Arab has a higher standard of living than the average Arab elsewhere in the Middle East. Thanks to universal primary education, they are also more educated. For security reasons, Arabs—except Druze—may not serve in the Israeli army or in any part of the defense establishment. Six percent of the Knesset members represent the sixteen percent of the population in Israel proper that is Arab. However, there are no Arabs in the cabinet or the supreme court, and no major financial or business concern is headed by an Arab. Although many Israelis sincerely want better relations with their fellow Arab citizens, many more distrust them.

For the 1.3 million Arab residents in the Gaza Strip and West Bank, the situation is far different. These Arabs do not hold Israeli citizenship and have no protection under Israeli law.

The West Bank

The first Jewish settlements on the occupied West Bank were established by the Labor government after the Six-Day War to defend Israel's new eastern border along the Jordan River. Dayan, defense minister at the time, did not advocate Jewish settlement where there were heavy concentrations of Arabs, and believed in giving the Arab communities on the West Bank limited autonomy. Mayoral elections were first held in the West Bank in 1976.

Israel: Facts at a Glance

Land: Pre-1967: 8,219 sq. mi.; Golan Heights, Gaza, West Bank: 2,986 sq. mi.

Population: within pre-1967 borders, 4.2 million; including occupied territories, 5.4 million

Population growth rate within 1967 borders: Jewish, 1.9%; Arab, 3.7%

Religion: Judaism (82%); Islam (13.1%); Christianity (2.3%); Druze (1.6%)

Without the Labor government's permission, the religious-nationalist group Gush Emunim (Bloc of the Faithful) established a number of settlements between 1967 and 1977. Begin, who became prime minister in 1977, shared the group's commitment to "the integrity of the Whole Land of Israel," and Ariel Sharon, then in charge of the government's settlement policy, called the settlements "the strongest answer to the establishment of a second Palestinian state." (He and many Israelis consider Jordan, home to over one third of all Palestinian refugees in the Middle East, to be the first.) The Begin government actively encouraged the development of new settlements with subsidies and easy mortgage terms, making spacious West Bank housing a bargain for Israelis looking for escape from their cramped, expensive apartments in Tel Aviv and Jerusalem.

Some think that the future of the West Bank has already been decided because the settlement process has gone too far to be reversed. The West Bank has been tightly integrated into the economy and infrastructure of Israel, which has meant a higher standard of living for both Jewish and Arab inhabitants but also increased dependence on Israel proper.

Others disagree that the process is irreversible, and worry that if settlement continues Israel will be "either democratic and un-Jewish or Jewish and undemocratic." If Israel were to annex Gaza and the West Bank outright, it would become a binational state with 2 million Arab citizens.

Terrorism on the West Bank is a daily fact of life which exacts a heavy toll on Jews and Arabs, both the innocent and the guilty. To combat the incidents of rock throwing, car bombing, stabbing and shooting, the Israeli army deports Arab suspects and frequently dynamites their homes. They may be detained for months without trial and tried by military courts without counsel or the right of appeal. By contrast, Jewish West Bankers suspected of terrorism have only recently been prosecuted in response to public pressure. Fifteen were convicted in August 1985. Coming on the heels of a prisoner exchange in which 1,150 Palestinian detainees—some of them known terrorists—were exchanged for three Israeli soldiers held in Syria, the decision created an outcry. Some 600 of the Palestinians released were allowed to return to the West Bank and Gaza. Violence between Arabs and Jews grew through the summer, polarizing public opinion still further and leading to a government crackdown in late August.

Censorship is another fact of life on the West Bank. Again for security reasons, Israelis have periodically shut down Arab universities for publishing or teaching "hostile" or "nationalist" ideas, and banned newspapers from publishing stories critical of the Israeli administration.

Many Israelis are deeply troubled by these measures but fear that giving up control of the West Bank would undermine Israel's defense. Almost no one favors a redivision of Jerusalem. It is therefore unlikely that the issue can be resolved in the foreseeable future.

The economy

Israel's present economic crisis stands in sharp contrast to its first 25 years of remarkable economic achievement. In a quarter century this small country (roughly the size of New Jersey) turned itself from an impoverished desert country into a fruit and flower exporter and a booming industrial economy, and at the same time quintupled its population, built a great army and fought six wars with hostile neighbors.

Today Israel produces 90% of the food it needs. Over half its cultivated land is irrigated—compared with 14% in 1950—mainly by water diverted from the Jordan River. A leader in desert agriculture, its botanists travel the world introducing "trickle irrigation" techniques, which reduce water loss from evaporation and keep salt levels low.

In addition to cut flowers and citrus, Israel exports vegetables, processed foods, textiles and cloth, and cut and polished diamonds. Its state-of-the-art industries—chemical, metal products, electronics, medical equipment and military hardware—also add to its export earnings.

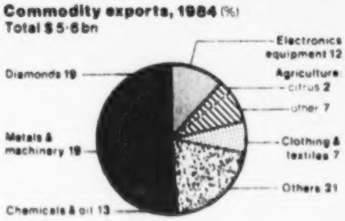
Israel's agricultural exports have been hurt by world recession and by competition from Mediterranean countries—especially Spain and Portugal. Industrial exports are up, however, with cut diamonds bringing in one third of all industrial export revenue. High-tech industries have boomed in recent years.

The European Community, with which Israel has a free-trade arrangement, is Israel's largest trading partner.

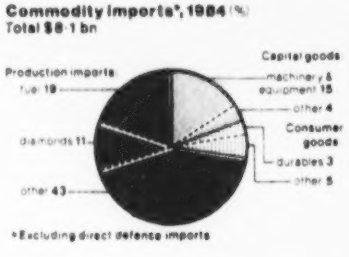
Trouble brewing

Many of Israel's economic problems today are at least partly the result of goals and policies established earlier, under very different circumstances. The Zionists who founded the pre-state Jewish community (Yishuv) and became Israel's leaders after 1948 were socialists, whose main goals were to encourage Jewish immigration and to ensure that those who came found work. Early Israeli economic policies were designed less to make a profit than to provide jobs, create economic growth, and by so doing, ensure social equality in a self-sufficient Jewish state.

Another legacy from pre-statehood days is the Histadrut. It began as a labor union, but soon became an employer as well—a process accelerated by the demands of World War II. Controlled by the Labor party, the Histadrut drew its leaders from the party and became a powerful nongovernmental lobby. Today 90% of the Israeli work force belongs to the Histadrut. The businesses it owns, which employ more workers than anyone except the government, produce a quarter of Israel's goods and services. Histadrut cooperation is essential to making economic reforms stick.

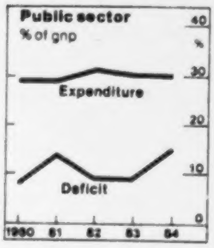


Commodity exports, 1984 (%)
Total $ 5·6bn

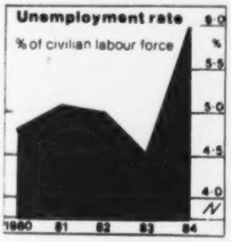


Commodity imports*, 1984 (%)
Total $8·1 bn

*Excluding direct defence imports



Public sector
% of gnp



Unemployment rate
% of civilian labour force

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Israel's economic troubles began to appear in 1973, in the aftermath of the October war. Because Israel is so small and resource-poor, it is very vulnerable to economic disturbances beyond its borders. The OPEC oil shocks of 1973-74 and resulting waves of world inflation and recession raised the price of vital imports while lowering world demand for Israel's exports. The return of the Sinai oil wells to Egypt between 1979 and 1982 increased Israel's dependence on expensive oil imports and contributed massively to inflation. The Israeli gross national product (GNP) growth rate dropped from an average of 9% a year between 1950 and 1976—on a par with Japan, South Korea and Taiwan—to practically zero. Productivity fell as investment declined, and the inflation rate jumped to almost 35% in the 1970s from an average of 6% per year for the 20 previous years. At the same time, defense costs climbed from just over one fifth of GNP in 1971 to one third in 1974.

Unwilling to cut back on domestic social benefits, the Labor government funded an ever-higher standard of living through subsidies and wage increases indexed to price increases, locking spiraling inflation into the economy. The Likud governments that followed proved unable or unwilling to take the drastic steps necessary to get the economy back on track, mainly because recommending belt-tightening was a formula for political ruin. Likud's settlement policy imposed an additional strain on the treasury.

Today, subsidies and social welfare payments consume one third of Israel's GNP. Productivity has not risen enough to keep up with the standard of living, which rose as Israelis consumed more, saved less. The government financed the growing deficit by massive borrowing abroad.

Israel has traditionally made up its deficit with foreign capital. It has been nurtured by donations from the millions of Jews living outside Israel, by reparations received from West Germany for World War II and by foreign aid, primarily from the U.S. Although much of the aid has been in the form of grants, Israel's current foreign debt equals its GNP of $24 billion. The price tag for servicing the debt has risen to some $4 billion annually. Israel finds itself having to borrow more just to meet the interest payments.

Economic emergency

The new national unity government tackled the economic crisis in September 1984. It approved over $1 billion in budget cuts, coming mainly from defense, a wage-price freeze and other measures. By the spring of 1985, it was clear that the attempted reforms were inadequate. Most of the proposed budget cuts had died on the Knesset floor, and without them other measures were ineffective. By the end of 1984, foreign currency reserves had fallen below the $3 billion danger mark at the very time when Israel needed to pay interest and keep current on its debt payment. Inflation, after dropping sharply for several months, shot up to over 700% in April 1985. Unemployment, historically low in Israel, was on the rise, raising the specter of increased emigration. And the U.S. was warning that an additional emergency aid package would not be approved until the government took drastic steps to put its economic house in order.

Prime Minister Peres did so on July 1, 1985, declaring a three-month state of emergency and pushing a package of austerity measures through the cabinet. He ordered an immediate 18.8% devaluation of the currency (the shekel), a three-month wage-price freeze, the elimination of $360 million in subsidies, a 3% pay cut for public service workers, and increased income taxes—on a population already among the most highly taxed in the world. The government was also told to lay off 9,000 workers. The result was a one-day nationwide strike called by the Histadrut on July 2. However, polls indicate that close to half of the Israeli public supports the program.

In the long run, Finance Minister Yitzhak Modai believes, Israel needs to get its economy growing again at a rate of 6-7% annually. Lowering inflation rates could help by stimulating investment, but most economists warn that a real reduction in inflation cannot occur until the system of indexing wages to price increases is radically changed or eliminated, something that will be politically difficult to do.

The biggest obstacle to higher growth is low productivity. Israel's many strike-prone unions, some critics say, are part of the problem. One reporter counted 15 unions, representing some 250,000 workers, either striking or preparing to go out on strike at the same time in 1984.

Military service adds to the problem, not only because of the universal three-year service requirement, but also because of annual reserve duty. Because Israel's population is so small and its security requirements are so great, the Israeli army depends on well-trained reserves. All males between 21 and 55 serve 30-60 days every year—even longer since 1982—forcing many employers to hire up to 30% more staff to maintain a full-time work force.

Israel's small size also makes changes in the emigration-immigration ratio significant. Israel is currently facing a "brain drain" as young, educated Israelis seek better pay and lower taxes abroad, while immigration has almost stopped.

Because the government is so short of cash, economic growth will require considerable outside investment—mainly from the U.S.

Israel and the world

SURROUNDED by hostile Arab neighbors at birth, Israel sought to forge ties beyond the Middle East. Its record of success has been checkered. In the early years, it offered its strategically valuable friendship to the West, and in the 1960s it extended its technical expertise to the newly independent states of Africa and south Asia. Israeli development teams trained thousands at home and abroad.

The 1967 war reversed the process. Many developing nations came to see Israel as an expansionist power. The Soviet Union, which had been one of the first states to recognize Israel, cut diplomatic ties at the time of the war, and threw its support to the Palestinian Arabs. In 1973, OPEC used its oil weapon—higher prices and the threat of an embargo—in a highly effective campaign to isolate Israel. As a result 32 African countries recalled their ambassadors and Europeans withdrew their support. The Arab members of OPEC took their campaign to isolate and delegitimize Israel to the UN General Assembly. In 1975 they garnered enough votes—despite outraged U.S. opposition—to pass a resolution defining Zionism as a form of racism. The resolution was introduced in the UN's specialized agencies over U.S. opposition.

Although an uneasy peace followed the October war, the PLO continued to stage terrorist attacks, and Israelis retaliated by raiding PLO bases in southern Lebanon. In 1978, after the PLO attacked a bus north of Tel Aviv, Israel invaded southern Lebanon. Under U.S. pressure, Israel complied with a UN resolution and withdrew its forces, whose positions were taken over by a UN peacekeeping force. A thin strip along Israel's northern border was patrolled by the mostly Christian South Lebanese army, armed and trained by Israel. But skirmishing continued.

Peace for Galilee

The border had been quiet for almost a year when Israel launched Operation Peace for Galilee "to place all the civilian population of the Galilee [in northern Israel] beyond the range of terrorist fire" from Lebanon. The June 1982 invasion followed the attempted assassination of the Israeli ambassador in London by a Palestinian terrorist.

The war's chief strategist was then defense minister Ariel Sharon. His main objective, beyond peace for Galilee, was apparently to inflict a defeat upon Arafat and the PLO serious enough to deny them any future significant military or political role in Lebanon or the West Bank. Beyond that, he hoped to weaken Syrian military and political power in Lebanon and to install a friendly government in Beirut.

These goals required taking Beirut, but the Israeli cabinet reportedly rejected this option in the months before the invasion. Knowing he could not win approval, Sharon on June 5 proposed the more limited goal of clearing out a 25-mile strip. He accomplished that objective in two days, and obtained cabinet approval for successive moves toward Beirut, claiming each was necessary to secure the one preceding it.

The Israeli army did force the PLO to evacuate its headquarters in Beirut by September 1982, but the attempt to install a friendly government suffered an early setback when newly elected president Bashir Gemayel, Israel's candidate, was assassinated within days of taking office. The Israeli-backed minority Christian Phalange party was opposed by non-Christians (Sunni and Shiite Muslims and Druze), who were also at odds and, at times, in conflict with one another. Syrian President Hafez al-Assad, set on denying Israel any political gains from the invasion, opposed Bashir's brother and successor Amin for as long as he cooperated with Israel.

Israel signed an agreement with Lebanon on May 17, 1983, calling for the withdrawal of Israeli and, implicitly, Syrian troops, but pressure from his domestic opponents and from Syria forced Gemayel to repudiate the accord some nine months later. Racked by mounting casualties from car bombs and guerrilla attacks, escalating occupation costs and political dissension at home, Israel withdrew the bulk of its troops between February and June 1985. It left behind military advisers to help the Christian-led South Lebanese Army patrol a 3 to 12-mile-wide security zone just north of the border.

The results of the war were mixed for Israel. It eliminated one enemy from Lebanon, but its protracted occupation alienated former friends among the Shiites. The Shiites, who make up a majority of southern Lebanon's population, are divided. For the moment, the more moderate, secular, Amal movement, headed by Nabih Berri, appears to be in control. It was Berri who negotiated the release of the hostages on TWA flight 847, hijacked by Shiite extremists in June 1985. Amal appears to be as committed as Israel to keeping the PLO out of southern Lebanon. Should the radical anti-Western and Iran-influenced Shiite group, Hezbollah (Party of God), gain the upper hand, it might pose an even greater threat to Israel than the PLO did before the war.

Syria's position in Lebanon appears both stronger and weaker. Assad, who is allied with Berri, has been unable to restrain the warring factions in Lebanon. However, he has received from the Soviet Union more sophisticated weapons than those he lost in the war. This poses a danger for Israel, which has had to make sizable cuts in its defense budget.

Perhaps most important, the war in Lebanon made Israeli security policy a subject of national contention. A group of soldiers formed a civil disobedience movement called "There's a Limit," whose members refused to serve in Lebanon. Doubts within the army spread to the general public after the massacre of hundreds of Palestinians by Lebanese Christian Phalangist forces at the Sabra and Shatila refugee camps in West Beirut in September 1982. The refugees were under the protection of the Israeli army, and some 350,000 people turned out in Tel Aviv for a demonstration calling for an investigation of the tragedy. A commission appointed by Begin found Defense Minister Sharon indirectly responsible. He was forced to resign, although he kept a position in the government.

Peace prospects

One unexpected outcome of the war was revival of the stalled Middle East peace process. However, it faces serious obstacles. Syria, which would like to get Israel out of the Golan Heights, seeks to block negotiations between other key actors in the Middle East because of its ambition to play a larger role in regional politics and because it believes it will not be included in the talks. In the past, Syrian pressure contributed to Jordan's reluctance to pursue the peace process, but that is changing. King Hussein's greater diplomatic activity was prompted in part by the return of Israel's Labor Alignment to power, by the restoration of diplomatic relations between Jordan and Egypt late in 1984 and by the renewed dialogue with the PLO, which began in early 1983. On February 11, 1985, Hussein and Arafat signed an agreement that implicitly accepted the principle of "peace for territory" (as called for in UN Security Council Resolution 242). The document could serve as a joint negotiating position.

Hussein is promoting an international peace conference, which both the U.S. and Israel have resisted because it would bring in the Soviet Union. Peres last October seemed receptive to the idea, provided direct talks with Jordan followed and that the conference involved only acceptable (non-PLO) Palestinians. Israel considers the PLO a terrorist organization (see Topic 4). On October 7, Palestinians killed three Israelis on a yacht in Cyprus. Israel retaliated by bombing PLO headquarters in Tunisia.

Hussein is pressuring Arafat either to recognize Israel or agree to let non-PLO Palestinians participate in a peace conference. He insists on an international forum to avoid isolating himself in the Arab world. Although there seems to be more willingness on both sides to compromise than at any time recently, both Peres and Hussein face stiff domestic opposition. There is still a long way to go before talks become a reality.

LEBANON
Mediterranean Sea
SYRIA
Haifa
Tel Aviv
Amman
ISRAEL
EGYPT
JORDAN
SINAI
PENINSULA
SAUDI ARABIA
Red Sea

Egypt recalled its ambassador to Israel after the Sabra and Shatila massacres. Egyptian president Hosni Mubarak has placed three conditions on normalizing relations with Israel: Israeli withdrawal from Lebanon, the return of the disputed 750 yards of beach front and the resort at Taba (near Eilat), and resumption of West Bank autonomy negotiations between Israel and a combined delegation of Palestinians and Jordanians. So far only the first condition has been met.

The U.S. and Israel

The U.S. has been a consistent supporter of Israel since its birth. The two countries share democratic values and institutions. Moreover, the U.S. views Israel as a bulwark against Soviet and radical Arab expansion in the Middle East, which could threaten the West's access to the region's oil. The U.S. routinely refers to Israel as an ally though no formal defense treaty exists.

The Middle Eastern countries are also of vital strategic concern to the Soviets. Regional stability is therefore important to ensure that local conflict does not escalate into a superpower confrontation.

Many American Jews and non-Jews alike have a sense of moral commitment toward Israel because it is a democracy and because of what Jews suffered at the hands of the Nazis during World War II. The U.S. has the largest Jewish community in the world—6 million—which, although under 3% of the population, has a strong religious commitment to Israel and is politically active.

Military and economic aid

The U.S. became Israel's chief arms supplier when France stopped its military sales after the 1967 war. The Johnson and Nixon Administrations, having failed to convince the Soviets that the best way to ensure peace in the Middle East was to withhold arms from the area, felt compelled to offset Soviet military assistance to Egypt and Syria (also Yemen, Iraq and Algeria) with a steady supply of arms to Israel.

The October war in 1973 demonstrated that a favorable military balance alone was insufficient to keep the peace and that an active U.S. diplomacy on behalf of the Arab-Israeli peace process was necessary. The year after the war, U.S. aid to Israel increased sixfold, from $417 million in 1973 to $2.5 billion in 1974. Since the 1979 Egyptian-Israeli peace treaty, the U.S. has also provided major economic assistance to Egypt. Today Israel is the largest recipient of U.S. military and economic aid—$2.6 billion in FY 1985. Egypt is second with $2 billion.

Of the $28 billion the U.S. has provided Israel since the October war, $19 billion has been for military aid. The U.S. has subsidized as much as one quarter to one third of Israel's defense budget in recent years. Since 1974, about half of the loans have been forgiven and in 1985 Congress passed a bill providing that all future military aid be in grant form.

At the end of 1984, Israel requested an additional emergency aid grant to tide it over until it received the $3 billion in military and economic aid approved for FY 1986. The Administration, satisfied that the Israeli government meant business with its austerity program, announced in April 1985 its support for a $1.5 billion supplemental grant, which was approved by Congress in August.

One way for Israel to reduce dependency on the U.S. is to increase its sales abroad. A free-trade agreement Israel and the U.S. signed in 1985 lifts quotas, tariffs and other barriers on goods traded between the two countries over a 10-year period. The U.S. hopes that the economic boost Israel will receive through American trade and investment and the additional revenue from exports will, over time, substantially lower the amount of aid Israel will require.

One bone of contention between the two countries has been the issue of defensive arms. Under the 1952 Mutual Defense Assistance Agreement, U.S. military equipment is to be sold to Israel for defensive purposes only, but Washington and Jerusalem do not always agree on what is necessary for self-defense. The U.S. delayed the sale and delivery of contracted military items after Israel's 1981 bombing of the Iraqi nuclear reactor at Osirak and the 1982 invasion of Lebanon. In both cases, Israel defended its actions as essential to its security.

Another disagreement concerns U.S. arms sales to Egypt and Saudia Arabia and, more recently, Jordan. Israel argues that better-armed Arabs pose a greater threat to Israel, increasing the cost to Israel—and the U.S.—of counterbalancing them. The U.S. views arms sales as important for the self-defense of pro-Western Arab governments as well as a useful incentive, in the case of Jordan and Egypt, for getting moderate Arab states to negotiate with Israel.

Disagreements have also arisen over restrictions on the sale to third countries of Israeli planes and weapons containing U.S. parts. Such sales require U.S. permission, which has been withheld in a number of cases, leading to complaints that the U.S. is depriving Israel of a source of revenue needed to pay its bills.

Israel also resents the U.S. use of threats to withhold economic assistance in order to pressure the government. Although the U.S. has adopted mild sanctions in the past, Congress has resisted more stringent measures in part because policymakers doubt such sanctions would have the desired effect.

Most of these disagreements have not damaged the fabric of the relationship itself. An exception is the issue of the occupied territories. The U.S. does not recognize Jerusalem as Israel's capital, and it opposes the government's West Bank policies, which it sees as an obstacle to the peace process.

Reagan and Israel

In his first term, President Reagan attempted to forge a "strategic consensus" between Israel and moderate Arab states (Egypt, Jordan and Saudi Arabia), arguing that the greatest threat to all was the Soviet Union. Neither side was convinced by the argument, and the plan did not work. However, Israel did sign a memorandum of understanding with the U.S. on November 30, 1981, calling for improved consultation and cooperation on strategic matters and joint working groups to address related issues. This was suspended by the U.S. a month later when Israel annexed the Golan Heights, but most of its provisions have since been implemented, notably agreements providing for intelligence-sharing during the Lebanon invasion, the establishment of a joint committee to study assistance requests and political and military issues, joint sea and air maneuvers, and the stockpiling of U.S. medical equipment in Israel.

Lebanon

Israel's decision to invade Lebanon was made without consulting the U.S., although there has been speculation that the Administration may have known about the plan. American involvement in Lebanon followed soon after the invasion. At the request of the Lebanese government, the U.S. sent 800 Marines as part of a multilateral peacekeeping force (France, Britain and Italy also sent troops) that arrived in Lebanon in August 1982 to oversee the U.S.-negotiated departure of the PLO from Beirut. Its job complete, the force left Lebanon in two weeks, only to be asked back after the assassination of Bashir Gemayel, the Sabra and Shatila massacres and the escalation of factional violence.

The American 1,600-man noncombat contingent in Beirut was given the mission of helping the Lebanese government reassert authority over its territory. But, as one observer put it, "The Gemayel government was legal. It was democratically elected. It was pro-Western. But it was not quite a government."

The hopelessness of the Marines' mission—to bring stability to a nation of tens of thousands of armed, warring Lebanese by supporting an unpopular government that could not govern—became increasingly apparent as the months went by.

In October 1983, after a fanatic drove a truck bomb into the Marines' barracks, killing 241 servicemen, Congress stepped up demands for the U.S. troops' withdrawal. But the Reagan Administration viewed the U.S. presence in Beirut as a test of U.S. credibility. The U.S. escalated its involvement from a peacekeeping role to one of active participation. As casualties mounted and congressional pressure grew, Reagan reversed his policy in February 1984 and brought the Marines home.

Reagan and the peace process

President Reagan presented a new peace initiative several months after the invasion of Lebanon. His September 1982 plan called on Jordan to negotiate with Israel to establish "self-government by the Palestinians of the West Bank and Gaza in association with Jordan" as the best chance for a "durable, just and lasting peace." Although Jordan showed initial interest in the proposal, the Begin government rejected it. Hussein backed off in April 1983 under Syrian pressure after failing to reach an agreement with Arafat on Palestinian participation.

Reagan was reluctant to reinvolve himself in Middle East peacemaking at the beginning of his second term, but has become interested in Hussein's plan since then. One sticking point has been Hussein's insistence on an international forum that would involve the Soviet Union rather than direct talks with Israel.

What course should the U.S. follow in its future relations with Israel? Several policy options and the arguments advanced for each follow.

An obstacle to peace? An armed Israeli soldier looks down at a group of Jewish settlers camped outside the largely Arab town of Hebron on the West Bank.

Policy options

■ **Option 1.** Increase aid to Israel. Israel needs extra help—especially cash to shore up its foreign exchange reserves—to get it through an economic crisis which could otherwise threaten its security. The U.S. might also forgive all or part of the $10 billion Israel owes the U.S., easing the burden of debt-servicing, which currently consumes half the government budget. These steps would give Israel breathing space to make necessary reforms.

■ **Option 2.** Cut back aid to Israel. Israel is less able to protect U.S. interests in the Middle East today because of its current economic and political problems. Therefore, the high past level of U.S. aid is no longer justified. A strong pro-Israel policy has gotten the U.S. into trouble with other countries without giving it any appreciable leverage over Israeli policymaking. Continuing to finance Israeli overspending will permit the government to postpone reforms and increase its dependence on the U.S.

■ **Option 3.** Attach conditions to U.S. aid. Whether the U.S. increases or cuts back aid, it should specify how its aid to Israel is to be spent. Although there is an official ban on the use of U.S. funds beyond Israel's 1967 borders, U.S. money has indirectly helped support the war in Lebanon and settlements on the West Bank. Aid should therefore be earmarked so that it cannot be used for policies the U.S. disapproves of.

The U.S. should also make economic aid strictly conditional on the implementation of recommended reforms.

■ **Option 4.** Continue providing aid as before. If the U.S. denies Israel the economic help it needs, its defense will suffer and it will become a less valuable strategic asset to the U.S. The U.S. may find it more costly to protect its strategic interests later than to help Israel now. Israel has already begun to make some progress toward dealing with its economic problems, and U.S. policy should recognize this.

Peace initiatives

■ **Option 1.** The U.S. should continue to be actively involved as a mediator in the peace-seeking process. The U.S. should use its economic leverage to press both sides for compromises that will make direct negotiations possible. Hussein and Arafat seem more willing than at any time recently to make concessions and the moment should not be permitted to slip away. Washington should encourage Israel to give up territory on the West Bank in return for peace, and should encourage Egypt and Jordan to pressure Arafat to renounce formally the PLO's charter commitment not to recognize, not to negotiate or make peace with Israel.

■ **Option 2.** The U.S. should not insist on autonomy for the West Bank. Good relations with a secure Israel are strategically crucial to U.S. interests. Any Palestinian entity would pose a threat to Israel and therefore to U.S. interests because it would attract extremists bent on Israel's destruction. Israel's claim to the territory, moreover, is no less valid than Jordan's claim: Jordan ruled it for 20 years and so has Israel.

■ **Option 3.** The U.S. should not attempt to mediate the peace-seeking process. The U.S. should not risk its prestige on negotiations where neither side is prepared to make significant compromises. Israel's coalition government is too divided to agree on negotiations, and moderates Mubarak and Hussein dare not be too conciliatory toward Israel for fear of violence by their more radical countrymen and their Arab neighbors, especially Syria. Pushing for concessions under these circumstances will only create tension between the U.S. and its friends in the Middle East.

* * *

Israel faces a hard road for the foreseeable future, and its success in resolving its problems will affect American interests. What policy should the U.S. pursue to help its friend?

7 OPINION BALLOT on page 95 ▶

FOR DISCUSSION

1. What vital interests does the U.S. have in the Middle East? Does current U.S. policy toward Israel further those interests? Why or why not?

2. American aid has been vital to Israel's security and economic viability, especially since 1973. Some observers in both the U.S. and Israel are concerned that aid has also had some harmful consequences for Israel. What is the basis of their concern? Should the U.S. modify its aid policy? If so, in what ways?

3. Should the U.S. attempt to use its economic leverage with Israel to pressure it to adopt policies Washington favors and drop those it does not?

4. Should the U.S. continue to sell arms to Israel's Arab neighbors? If so, should it offset those sales by increasing its military assistance to Israel? Why or why not?

5. Do you think Israel should formally annex the West Bank and Gaza Strip? Or should it grant those territories some degree of autonomy? If so, how much? What are the dangers for Israel in each of these courses?

6. Do you think Israel's coalition government will be willing or able to agree on any significant moves to further the Middle East peace-seeking process? What are the political dangers of doing so? The dangers of not doing so?

7. In May 1985, Israel exchanged 1,150 Palestinians, many of them known terrorists, for three Israeli prisoners of war. Some of the Palestinian terrorists were allowed to return to the West Bank. There was an outcry in Israel, including a demand that accused Jewish terrorists being held in the West Bank be released. What do you think?

8. The U.S. is resisting Jordan's proposal for an international conference, including the Soviet Union, on Mideast peace. Why does Jordan want an international conference? Why are the U.S. and Israel opposed to the idea? Should the U.S. reconsider its position in the interest of moving the peace process forward?

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For further in-depth reading, write for the GREAT DECISIONS *'86 Bibliography (see page 2).*

ILLUSTRATION CREDITS: pp. 65, 73, AP/Wide World Photos.

8 Religion in World Politics

WHY THE RESURGENCE?

THE RECENT WORLDWIDE resurgence of religion in personal and political life has taken the U.S. and other countries by surprise. In the U.S., religion was the sleeper issue of the 1984 presidential election. In other nations, such as Poland, religion acts as a unifying force against oppressive regimes. In the Muslim world, political action is increasingly taken in the name of Islam by governments and opposition groups alike.

In many cases, the turn to religion reflects a desire for spiritual fulfillment. In other cases, it is politically motivated. The headline-grabbing aspect of religious revival lies in the widespread rise in violence carried out in the name of religion. In 1979, a coalition of groups led by Muslim clerics overthrew the Pahlavi dynasty in Iran. In 1981, members of a militant fundamentalist movement, al-Jihad, assassinated President Anwar al-Sadat of Egypt. And in 1984, extremist Sikhs assassinated Prime Minister Indira Gandhi of India. All these deeds were committed in the name of religion. Can acts of violence or "holy wars" be justified on religious grounds? Or is religion simply a cover-up for purely political goals?

Islam resurgent: Ayatollah Khomeini's supporters in Iran

Political conflict sparked by ethnic, tribal or economic differences is often expressed most brutally in religious terms. This has resulted in violent confrontations between Muslim and Jew in the Middle East, Muslim and Christian in Lebanon and Egypt, Shia Muslim and Sunni Muslim in the Persian Gulf and Pakistan, Muslim and Christian in the Sudan, Hindu and Sikh in India, Hindu and Buddhist in Sri Lanka, Christian and Muslim in the Philippines, and Catholic and Protestant in Northern Ireland. Americans have recently been the victims of terrorist attacks in Lebanon, widely believed to be inspired by Shiite Muslims. Clearly intolerance is not limited to one religion but is an attitude adopted by people of many different faiths.

In many countries today religious leaders exercise tremendous political power. In the U.S., the recent political activism of many church leaders is "the single most important issue" in the field of religion, according to George Rupp, former dean of the Harvard Divinity School.

Abroad, Pope John Paul II has greatly extended the political influence of the Roman Catholic Church. He has decried injustice and human rights abuses in Latin America, the Soviet Union and his native Poland. He has repeatedly denounced the arms race. In an address before the World Court in May 1985, he declared *apartheid* in South Africa unacceptable. Yet he urges that change be peaceful: Christians should use not the rifle, but the cross. Some Roman Catholic priests, such as Jaime

Cardinal Sin in the Philippines and the late Stefan Cardinal Wyszyński in Poland, have spoken out against governments that they considered repressive. Protestant clergy have prominently opposed the government of South Korea. In South Africa, Anglican prelate and Nobel Peace Prize winner Desmond Tutu acts as a rallying point for those opposed to apartheid.

Bishop Desmond Tutu

The goal of many religious leaders is to promote individual rights within the framework of the state. Other leaders, however, would like to establish clerical states, by force if necessary. Ayatollah Ruhollah Khomeini of Iran has split the Islamic world with his admonition to the faithful to overthrow "un-Islamic" governments. In India, Sikh leader Jarnail Singh Bhindranwale called for a holy war against the predominantly Hindu Indian government, telling followers it was their "religious duty to send opponents to hell." He died in the government's assault on the sect's Golden Temple in Amritsar in June 1984. In Israel, Rabbi Meir Kahane, who advocates removing all Arabs from Israel and the West Bank and imposing a strict religious state, has growing support. The Reverend Ian Paisley of Ulster, a Presbyterian, regularly denounces "popery" and fans anti-Catholic passions, which have sometimes led to murder.

The legitimizing power of religion is often invoked by both sides in disputes. Thus in South Africa supporters of apartheid have the official Dutch Reformed Church behind them, while opponents of apartheid have the backing of Bishop Tutu's Anglicans, among others. In Egypt, Sadat made a public display of his piety and the official press referred to him as the "Believer President." Yet he was killed by Muslim fundamentalists who had marked him as a heretic for making peace with Israel. In Saudi Arabia, the Saud dynasty presides over a state governed by Islamic law. Even so, the Great Mosque in Mecca was attacked by fundamentalists who believed that the royal family was corrupt. In Latin America, liberation theologians want to employ religion as a force for social change and are pitted against those who, along with the pope, resist politicization of the faith.

In practice, too fine a line cannot be drawn between religion and politics, since they inevitably impinge upon one another in both East and West. Yet the religious resurgence raises important questions. What are the reasons behind the revival and its associated violence? Why is religion such a powerful force for instability in international politics? Is there something about the present era that makes it different from other periods in history? What does the future hold? What guidelines, if any, should the U.S. adopt to deal with this revival?

Religion: East and West

When most Westerners consider the role of religion in public affairs, they take for granted the separation of church and state, of rendering unto Caesar what is Caesar's and unto God what is God's. In the U.S., a secular society, this separation is guaranteed by the First Amendment to the Constitution (the "establishment clause"): "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof. . . ." Although Americans have traditionally respected organized religion, its practice has generally been assumed to be a private matter. Historically, relations between church and state have been smooth, and there have been no religious wars. However, although the government is theoretically neutral toward religion, the clergy and their congregations have rarely been neutral toward public policy.

In many non-Western countries no comparable separation is legislated or even desired, and religion enters much more freely into public life. Many of Islam's believers, for example, look to their religion for guidance in every sphere of life—from legal matters to male-female relations. The concept of joining religious and political authority is a potent ideal in the Middle East. In two states that were founded to ensure the religious expression of their citizens (Pakistan for Muslims in 1947 and Israel for Jews in 1948), vigorous debate continues as to the proper role of religion in government and society. Because of this debate, Israel has no constitution and Pakistan's has been amended several times. The most recent version, of March 1985, includes legal provisions to ensure the piety and morality of members of parliament.

Some religious groups have developed worldwide networks of believers, as well as substantial international political and economic interests. A relative newcomer (founded in South Korea in 1954) is the Unification Church led by the Reverend Sun Myung Moon. It claims 3 million followers ("Moonies") worldwide but may only have a quarter of a million. There has been considerable dispute on the part of host governments (such as the U.S. and Britain) as to whether the Unification Church should be considered a religious or a political group. There is no question that it has international economic interests. In the last decade the group has spent hundreds of millions of dollars on business investments around the world, including a string of newspapers and a controversial fishing operation in Massachusetts.

The leading example of a worldwide religious organization is the Roman Catholic Church, which has 50,000 missionaries. Pope John Paul II, who presides over the independent state of Vatican City, is the spiritual leader of one sixth of the world's people. The Vatican maintains official relations with most nations and quietly serves as a conduit for sensitive messages between governments. But, in the words of the Second Vatican Council, ". . .[the Church] must in no way be confused with the political community, nor bound to any political system." It is a member of United Nations agencies, and carries out substantial charitable efforts in a variety of countries. Although Soviet leader Joseph Stalin asked sarcastically, "How many divisions has the pope?" the pontiff's strength lies not in troops but in moral authority. The pope himself has taken an active political role—especially in Poland—but since 1980 he has forbidden priests to hold political office without the consent of their local bishop.

An American perspective

The concept of religion familiar to most Americans, then, is not shared by many others around the world. Americans are much more apt to distinguish religious activity from secular activity. These mental boundaries affect their understanding of and policies toward the rest of the world.

U.S. policymakers tend to tag religious leaders or groups as good or bad according to how they relate to U.S. foreign policy goals. Thus resistance to the Soviet-backed regime in Afghanistan by Islamic "freedom fighters" is good for the U.S., but Islamic "fanaticism" in Iran is bad. Catholicism is good when it challenges the Communist state in Poland, but its troublesome offshoot, liberation theology, is bad when it supports the Sandinista government in Nicaragua. The Buddhist Dalai Lama is a symbol of resistance to communism in Tibet, where the People's Republic of China brutally suppressed a revolt in 1959, forcing him to flee. But the Buddhists in Vietnam who burned themselves to death in 1963 to protest the U.S.-backed government of Ngo Dinh Diem dealt a blow to U.S. policy.

The foreign policy apparatus is geared to deal with the state system, not with religious movements, many of which exert influence across national boundaries. The U.S. has not made a practice of accrediting ambassadors to seats of religious power. President Ronald Reagan's appointment in March 1984 of the first ambassador from the U.S. to the Vatican since 1867, William A. Wilson, aroused some predictable opposition. Senator Sam Ervin (D-N.C.) maintained that this act violated the Constitution's establishment clause.

Afghan rebel on guard. Sign says **Allahu Akbar** *(God is Great).*

U.S. policymakers are continually confronted with the challenge of practicing the diplomacy of a secular state in a world of religious states. Some U.S. friends, such as King Fahd of Saudi Arabia and President Zia ul-Haq of Pakistan, preside over strict Islamic states. Others, such as Rajiv Gandhi of India or Hosni Mubarak of Egypt, govern more secularized states that are torn by religious rivalries.

For many rulers conflict inside their own countries between the more secular-oriented groups and fundamentalists is one of the most vexing problems they must deal with. They need to maintain a delicate internal balance among these groups, and this can complicate relations with the U.S. Any U.S. involvement, for example, on behalf of a persecuted religious or ethnic minority is bound to cause resentment on the part of the other government.

In the Middle East, the type of conservative Islam promoted by the state-sanctioned *ulama* (clergy) in moderate, pro-West regimes does not menace U.S. interests. It is the other, populist Islam of the masses, which aims to introduce change from below, that troubles the U.S. This Islam, inspired by Khomeini's Iran, rejects the West and Western values.

What are the lessons for U.S. policy in this? Why did most Americans ignore the resurgence of religious forces in the Islamic world? Is this Islamic revival related to renewed interest in Christianity in the West? Before we can examine the present situation, we must first see how the relationship between religion and politics evolved over the past few centuries.

Religion and politics: the legacy of the past

FOR CENTURIES, in both the East and the West, religion was one with politics. Together they provided a total way of life. In the East, the Prophet Muhammad united religious and political authority in the Muslim state he founded in the 7th century A.D. Today this brief period is regarded as the "Golden Age" that many Muslims would like to recapture. The Arab conquests rapidly expanded the Islamic community until it reached its apogee in the middle of the 9th century, extending from Spain and North Africa to Persia and Central Asia.

In Europe in medieval times, Roman Catholicism united society and gave legitimacy to political rule. The pope considered himself superior to the lay authorities, and he crowned the Holy Roman Emperors. The clergy was a privileged class that administered the sacraments and mediated between man and God.

This religious-political system underwent profound changes beginning in the 16th century, with the balance of power passing from church to state and from priest to layman. The Protestant Reformation (initiated by Martin Luther in 1517) challenged the religious basis of political power by denying the authority of the pope and the priesthood. As a result, the Church broke into a large number of local churches, mainly controlled by secular rulers. This change was opposed by the Counter Reformation, spearheaded by the Jesuits (Society of Jesus). Europe was plunged into religious warfare, culminating in the brutal Thirty Years' War (1618-48). The wars of religion were finally brought to an end by the Peace of Westphalia in 1648. Henceforth the religion of the ruler determined the religion of the people.

After Westphalia, Europe became divided religiously into a Protestant north (principally Scandinavia), a Catholic south (Spain, Italy and France), and a mixed zone in between (Britain, the Low Countries and Switzerland). Wars were now fought in the name of one's country, and it became more important to be French or German than Catholic or Protestant.

The power of the church in Europe declined sharply in the 18th century, although in the Spanish Empire in North America church and crown remained closely associated as late as 1800. The Church was severely shaken by the French Revolution, which abolished the monarchy in France in 1789 and forced the clergy to obey civil authorities.

Following the Napoleonic wars, the predominant European powers (Austria, Prussia, Russia, France and Britain) worked together for a century (1815-1914) to keep peace "in the family" and mute political and religious conflicts. The great powers were able to maintain the peace in part by eliminating troublesome entities: between 1648 and 1914, the number of European states steadily declined as large powers absorbed smaller ones.

The age of world politics

World War I destroyed balance-of-power politics as practiced in the 19th century, which was based on a consensus of interests. In Europe this was accompanied by the growth of secularism and the eclipse of religion. Farther afield, in Mexico, Russia and Turkey, revolutions like the earlier French Revolution sought to destroy the temporal power of religious leaders. The main exceptions to the secular tide were Northern Ireland and Poland, where political struggles in the name of religion continue.

In the East, it was another story. The colonial rulers were committed to secularization, and they expanded the powers of government to include what had formerly been in the domain of religion, notably law and education. They did not, however, succeed in eradicating the influence of religion, especially in two key aspects: its role in legitimizing political power, and in politicizing and mobilizing the masses.

In a secular democratic society, the government is popularly elected and represents the will of the people. In many traditional societies, however, the ruler is regarded as an agent of God, and religious sanction is necessary for political legitimacy. This explains the important historical role of Tibet's Dalai Lama or the Islamic ulama. It also explains the difficulties the imperial powers had in establishing states not sanctioned by religion.

The first half of the 20th century was a very unsettled period in international relations. Having imposed its state system upon the rest of the world, particularly Asia and Africa, the West faced a growing anticolonial revolt. Religious leaders and groups played a key role in bringing the masses into the political process in the colonies. They spearheaded opposition to colonial (often Christian) rule and led many of the nationalist movements. The British faced opposition from the Muslim Brotherhood

RELIGIONS

(mentioned in the text)

Buddhism: 256 million Buddhists
Founded in India in 6th century BC by Siddhartha Gautama, later called Buddha. Teaches that suffering is inherent in worldly life; by ending desire and attachment to "self" one can attain liberation or enlightenment, called *nirvana*. *Theravada* school practiced in India, Southeast Asia, Sri Lanka; *Mahayana* school incorporated into local religions in China, Japan and Korea.

Christianity: 1.2 billion (800 million Catholics, 370 million Protestants, 80 million Eastern Orthodox)
Monotheistic. Founded in 1st century AD. Based on teachings of Jesus Christ and his disciples. Protestantism is predominant in Australia, Britain, Canada, Northern Europe, U.S. and in some African countries. Catholicism is predominant in Latin America, southern and central Europe, Philippines, parts of Africa. Eastern Orthodoxy, though suppressed by the state, is practiced in the U.S.S.R. and some Balkan states.

Hinduism: 481 million Hindus
Developed around 1500 BC in India. Teaches that all life is part of God—*Brahma*. Goal is to renounce the material and bodily world and achieve one with God, using ascetic and mystical practices. Characterized by belief in reincarnation; *karma* (present actions influence future status); and, until recently, a rigid caste system. Predominant in India.

Islam: 800 million Muslims
Monotheistic. Founded by Prophet Muhammad in 7th century AD. Teaches that Allah (God) is the ruler of the universe, law-giver and judge. Quran contains basis for Islamic beliefs and law; recognizes no distinction between religion and state. Sunni sect (90% of Muslims) dominant in (listed in order of importance) Indonesia, Middle East, North Africa, Pakistan, Bangladesh and Malaysia. Shiite sect predominant in Iran, Iraq, Bahrain and possibly Lebanon; also large groups in North Yemen, Afghanistan, Pakistan, Syria and Turkey.

Judaism: 14.5 million Jews
Monotheistic. Developed about 2000 BC. Teaches that God is the creator and absolute ruler of the universe who gave Jews divine law, including the Ten Commandments. The *Torah* contains these and other rabbinic teachings, laws and literature. After centuries of persecution, most Jews moved to the U.S. and Israel. About 2 million still live in the U.S.S.R.

Sikhism: 15 million Sikhs (Hindi for "disciple")
Monotheistic. Founded in 16th century in opposition to Hinduism's idolatry and caste system. Gradually transformed into a warrior religion. Sikhs adapt Singh ("Lion") as part of their name, are supposed to wear turbans and never cut their hair. Most live in the north Indian state of Punjab, where Sikhism developed.

in Egypt and the Young Men's Buddhist Association in Burma; the French faced Islamic resistance in Algeria; the Dutch, from Sarekat Islam in Indonesia; and the Soviets put down a revolt by the Muslim Basmachi in Soviet Central Asia.

After World War II the process of decolonization gained momentum and led to the creation of more than 100 new nations. The political boundaries they inherited from colonial administrators often bore little resemblance to geographic or demographic realities. In Africa, for example, the borders of many states are the same as those drawn at a conference of European diplomats in Berlin in 1884. These borders cut across tribal and ethnic groups, which continued to clash with each other after independence.

Another problem for the newly independent states was a loss of the political order and, in some cases, the stability provided by the old empires. After independence, minority groups formerly favored by colonial rulers, such as the Maronites in Lebanon and the Tamils in Sri Lanka, found their privileged status challenged. Religion now became a divisive force that diverted the new nations' energies from tackling social, political and economic issues.

Religion and politics today

With the old power systems destroyed and a proliferation of new states, many lacking a national identity, governments and peoples found themselves in a political centrifuge, according to political scientist Harold Isaacs. In the postwar "global shakeout of power," there have been no new "large coherences" to hold people together as in the past, he notes. Neither international ideologies, such as communism or Islam, nor international organizations, such as the UN, have been able to establish order. The main power blocs, led by the U.S. and the Soviet Union, have a more difficult time enforcing discipline than did the old empires. In 1985, at the 30th anniversary of the Bandung conference of nonaligned nations, the president of the UN General Assembly, Paul F. Lusaka of Zambia, said, "There is no avoiding [the conclusion] that the number of regional conflicts, many of them in Asia and Africa, have dramatically increased in recent years."

Northern Ireland: political conflict with religious overtones

Although the recent return to religion is more than simply a reaction to modernization, many believe that the latter has contributed to it. The process of modernization as the West experienced it is associated with the growth of industries, cities and communication networks, the secularization of education and law, the growth of democratic institutions and the emergence of a world community.

While modernization has contributed to global homogeneity, paradoxically the spread of modern communications and the shrinking of the globe have caused political fragmentation. This has reinforced a sense of separateness and a need for security. The individual has become more aware of his group identity and those factors—such as religion, ethnic group, nationality, language, tribe and history—which mark him out from others. Because impersonal governments have not been able to fulfill this need for security, there is a longing for the reassurance of community structure, traditionally supplied by religion. This has led to a religious revival and to the rise of charismatic religious and political figures, such as Khomeini, who supply reassuring solutions to the complex problems of modern life.

American historian Christopher Lasch notes the current "widespread preoccupation with nostalgia in the intellectual community and the mass media." This nostalgia—an exaggerated vision of a simpler, better past—provides continuity in a rapidly changing society. The myth of the good old days has been a political rallying cry in the West. The Islamic ideal of a Golden Age plays a similar role in the Middle East.

The alienation that had begun to emerge in the 1960s sparked a religious revival in many countries in the 1970s. In the U.S., religion is becoming less of a private matter than before, with political leaders such as former president Jimmy Carter, President Reagan, Democratic presidential hopeful Jesse Jackson and New York's governor Mario Cuomo discussing it publicly. Issues such as prayer in schools and abortion have been vocally taken up by religious groups, notably evangelicals (Protestant fundamentalists emphasizing salvation by faith). The 1984 presidential election was notable for the number of religious leaders who endorsed candidates for office.

Noting voting patterns in the 1984 presidential election, Brookings Institution fellow James Reichley concludes that the substantial shift of American Christians (especially evangelical Protestants) to the Republican party resulted from a "reaction against modernity"—a belief that the U.S. was growing too secular, leading to crime and social disorders.

In the U.S., the goal of some religious groups is to incorporate religious values into the law. (The Supreme Court in its 1984-85 term made four key decisions firmly upholding the separation of church and state.) Many Third World religious movements, on the other hand, seek a transformation of society benefiting the downtrodden at the expense of those in power.

The religious revival that the U.S. and much of the Third World are experiencing is not universal. It is much less evident, for example, in Japan, China or Europe. In Europe, since the French Revolution, Chris-

Sikhs demonstrate in New Delhi after government invades their Golden Temple.

tian churches have generally supported the political order. Over the past two decades, however, the old ties between church and state in Western Europe have broken down. There has been a decline in religious practice along with an expansion of leftist political activity. Italy, an overwhelmingly Catholic country, has the largest Communist party in the West.

Communism and religion

Soviet domination of Eastern Europe after World War II and the Communist victory in China in 1949 led to the suppression of organized religion. Despite the Communist efforts to bury religion, which Karl Marx called "the opium of the people," it survived. In the Soviet Union, religious groups such as Muslims in Central Asia, Catholics in the Ukraine and Baltic states and Jews in major cities such as Moscow, Leningrad and Riga act as a focus of opposition to the central government. In recent years the Vatican has attempted to ease tensions with the Soviet-bloc nations, but the strongly anti-Communist stance taken by Pope John Paul II has not provided a favorable climate.

In China, officially an atheistic state, several hundred churches have been reopened in recent years. The bishop of Shanghai, jailed for nearly 30 years for refusing to reject the Vatican's authority, was released in July 1985.

In Cuba, the Communist government has sought to improve relations with Catholics and Jews, which suffered after the 1959 revolution. Fidel Castro recently said that he would welcome a visit by the pope. Even in tiny Albania, a Stalinist state which was 70% Islamic in the 1940s, Muslims anticipate a religious revival.

Third World

The current religious revival in the Third World caught many in the West by surprise. This was partly due to the failure of Westerners to take into account the continued importance of religion. Until the 1970s, it was generally believed that less-developed countries would follow the pattern of the West in the 19th century: as they modernized, they would become more secular.

The Iranian revolution and Sikh protests in India proved the theory wrong, at least for parts of Asia. Iran, led by a pro-West, modernizing king, was the last place that social scientists expected to see the rise of the clergy. Westerners were not alone in making that mistake: Iranian planners, many trained in the West, also were oblivious to the power of religion.

Western observers also tended to ignore the rise of religious leadership elsewhere in the Third World as the secular leaders who had led their countries' independence movements died or were overthrown. Nationalists such as Jawaharlal Nehru of India were used to dealing with Westerners and shared their goal of creating a secular society. Nehru said that to make political life center around religion was a reversion to medievalism. Indonesian leader Sukarno (1945-67) tried to replace religion with a new ideology called *pancasila*, which advocates a belief in God, humanitarianism, national unity, democracy based on consensus, and social justice.

In their attempt to create Western institutions these leaders lost touch with their own people. Not only were some nationalist leaders more secularized and westernized than the population they led (for example the shah in Iran), but they were popular in spite of—not because of—their secularism.

Their successors were prone to give greater weight to traditional values, including those embodied in religion. Others resisted this new religiosity. By the early 1980s President Suharto (1967-) was meeting rising resistance to pancasila by Indonesian Muslims, and India's Rajiv Gandhi was plagued by rioting between Hindus, Sikhs and Muslims.

Religious resurgence

Two significant movements of religious renewal are the Islamic resurgence and liberation theology within the Roman Catholic Church. Though the differences between them are great, there are nevertheless strong similarities. Both made their appearance at roughly the same time, in the 1970s. Both attract followers with a sense of alienation and powerlessness made worse by rapid urbanization and poverty. Both movements emphasize social justice and believe existing governments are not providing it. They encourage political activity as a means to personal redemption. In recent years they have increasingly turned to the use of armed force to achieve their aims. These movements have drawn inspiration from the revolutions in Iran and Nicaragua, which overthrew pro-American autocrats in 1979 and replaced them with leaders who rose through political struggle.

The political message of both movements is transnational. Their prime concern is to purify the religion from within, if necessary by political upheaval. The participants are largely the people or groups who were previously ignored by or uninvolved in the political system. Religion was henceforth supposed to benefit the masses, not only the elite. The authorities—the pope in the Catholic world, the ulama in the Islamic one—have responded by trying to control and coopt elements of the opposition into their own programs.

Origins of liberation theology

Liberation theology, which stresses the duty of Christians to support the poor and oppressed, arose in the wake of the reforming spirit engendered by the Second Vatican Council. Vatican II, held from 1962-65, was a policy-setting meeting of the world's Catholic bishops presided over by Pope John XXIII. It made major changes to bring the Church into the modern world. These included requiring the use of the vernacular instead of Latin for Mass, involving the laity more in Church life and encouraging an ecumenical movement leading to closer relations between Christians and Jews. An unintended result of the council was a weakening of the Church's doctrinal authority. This conflict between Church and laity intensified after the 1968 encyclical on human life, *Humanae Vitae*, which forbade artificial birth control.

Liberation theology is above all a movement challenging the established authorities of the Church, including the pope and bishops. It has long been identified with Latin America, and is now growing in popularity in the Philippines as well.

First set forth in a 1971 book by Peruvian priest Gustavo Gutiérrez, it has grown enormously, if unevenly, in popularity since then. It is strongest in Nicaragua and Brazil (which has the largest Catholic congregation in the world). It is less influential in Venezuela, Argentina and Mexico. Organizers group the poor in "base communities" of 10 to 30 members to educate them. The groups attempt to relate biblical teaching to present-day activities and problems—especially political and economic repression.

Critics say that liberation theology is derived from a Marxist view of class conflict and is used as an excuse for revolutionary upheaval. They fear its followers will naively deliver Latin America to the Communists. Proponents maintain that liberation theology's chief debt to Marxism is the union of theory and practice. Father Gutiérrez says, "I preach the gospel, nothing else." Gutiérrez has distanced himself from some of his more extreme followers, saying that they err in emphasizing political liberation over spiritual liberation.

The pope has been liberation theology's most outspoken opponent and has called prominent dissident theologians, such as Friar Leonardo Boff of Brazil, to the Vatican to defend their actions. In May 1985, after his trip to Rome, Friar Boff was ordered to keep "penitential silence" as punishment for his views. Among the pope's concerns is that priests, in calling for sociopolitical action, downplay the private nature of religious experience.

Friar Boff of Brazil

The pope in Panama: flag says, "Our people need your voice."

JUAN PABLO II

Because of the popularity of liberation theology, Rome cannot easily dismiss it. An important conference that the pope attended in Puebla, Mexico, in 1979 set Church policy: Catholics should work to remedy poverty and injustice but do so in peaceful ways. In his visit to Latin America in early 1985, the pope moved closer to some of the movement's positions. Denouncing "exploitation" of the workers, he advocated land redistribution for poor peasants, trade unions, social security and pensions.

Although the present pope is a supporter of Vatican II, he is increasingly concerned about preserving the Church's authority in the face of growing dissent. In a surprise announcement, the pope called for a meeting of bishops in late 1985 to reexamine the results of Vatican II. Some suspected that he planned to use this forum to discredit liberation theology.

The Islamic revival

The Islamic revival of the 1970s, even more than liberation theology, alarmed the U.S. and other Western countries. In the past the West had associated Islam with stagnation, regarding it as a fatalistic faith that impeded progress. The West associated the new "political Islam" with revolutionary activity and violence.

The powerful Islamic resurgence has its roots, most scholars believe, in the militant fundamentalist movement of the Wahhabis in late 18th-century Saudi Arabia. The Wahhabis sought to purify the faith by going back to its origins, interpreting the Koran (Quran) literally and abandoning devotional practices not sanctioned by the Prophet.

In the 19th century, much of the Islamic world was conquered by Europeans, and this stimulated, although it did not start, a profound debate among Muslims as to the reasons for their powerlessness.

The debate led in the last decades of the century to the creation of a number of reform movements that have become known as "Islamic modernism." The modernists—lay political thinkers, not ulama—tried to strengthen the Islamic community by emphasizing the compatibility of Islam with reason and science. Also at this time the idea of a political union of Islamic countries, or pan-Islam, gained favor. Although the concept of pan-Islam still has a powerful attraction for Muslims, it could not compete with the pull of nationalism. By World War I, Muslim modernism, which largely appealed to the educated elite, had run its course, its goals unmet.

In the Middle East between the wars the brand of nationalism promoted by secular leaders (especially in Iran and Turkey) was a more significant force than movements based on religious appeals. But even in this period, there was a wide gap between leaders and the more religious masses. The Muslim Brotherhood in Egypt was the first modern Islamic movement to attract mass support. By combining demands for social justice with a rejection of the materialism of the West and opposition to British imperialism, it had broad appeal among the poor.

After World War II, the most important political movements in the Arab world were secular, nationalist and pan-Arabist. Arab socialism was the main ideology in Egypt, Syria and Iraq in the 1950s and 1960s. Religious movements appeared to be in eclipse.

Israel's decisive defeat of the armies of Egypt, Jordan and Syria in 1967, coupled with the humiliation of losing the holy city of Jerusalem, exposed the weakness of Arab leaders and provoked a backlash among many Muslims in the Middle East.

The feelings of powerlessness and insecurity that arose after 1967 were reinforced by subsequent clashes with Israel culminating in the 1982 Israeli invasion of Lebanon, which none of the Arab states moved to stop. Muslims were greatly upset by the succession of defeats. Islam is known, after all, for its doctrine of jihad or "struggle." This refers to inner spiritual struggle as well as militant "holy war" against infidels. Repeated Israeli victories could only be interpreted as a sign of God's displeasure with the Muslim community, or at least its leaders. Some Muslims ascribed Israel's success to its more faithful adherence to its religion.

The end of ideology

There were other reasons for the Islamic resurgence, including cynicism and deep frustration, especially among the youth who are to a great extent unemployed and make up the majority of the population. Talking about politics is a consuming passion in the Middle East, but the average citizen has little opportunity to take part in the political process in any meaningful way, and this contributes to the discontent.

The influx of great wealth to the oil-producing countries after 1973, although a source of pride and power for Muslims, resulted in a greater disparity in incomes. Many of the poor, especially in the non-oil-producing states, benefited not at all from their neighbors' sudden prosperity. The poor moreover found it difficult to adjust to the rapid pace of modernization in their traditional world. Many Muslims were critical of the ostentation and corruption of ruling regimes and their leaders' lack of piety.

Muslim disillusionment with their leaders went hand in hand with a general disenchantment with the West and all the "isms" associated with the Western experience, including liberalism, capitalism, communism and socialism. "We have been searching for a system since 1956 [the year of Sudan's independence from Britain]. I think all the systems we have tried have failed," said a Sudanese professor. "They haven't delivered." In their search for an authentic ideology, many Muslims rediscovered Islam.

Islam provided a ready made, total ideology that was not tainted by association with the West. Islam, Muslims believed, had led them to a glorious civilization in the past, and a return to correct observance would enable them to be great again. In the October 1973 Arab-Israeli war the Egyptians used religious terminology for the first time: Their battle cry was *Allahu Akbar* (God is great), and the code name for crossing the Suez Canal was "Operation Badr," after an early victory of the Prophet.

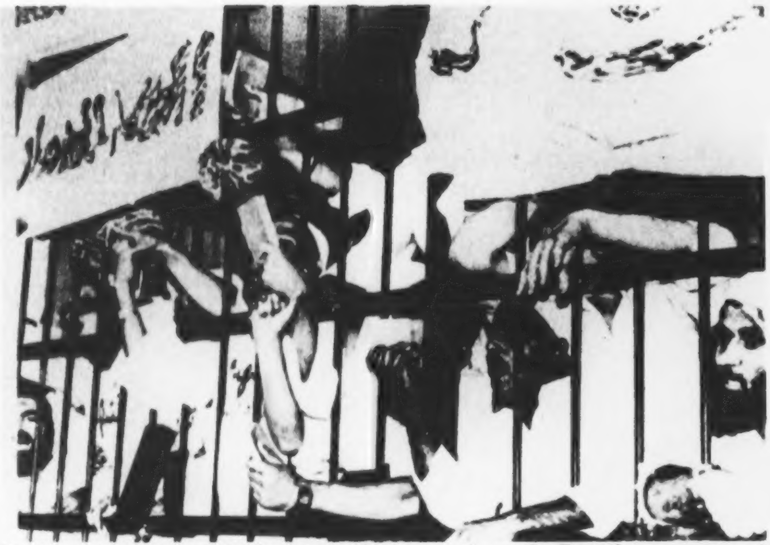
The Islamic resurgence has both a personal as well as a political dimension. On a personal level, the signs of increased religiosity include more "Islamic" dress (including veiling of women and beards on men), demands to implement Koranic laws banning alcohol and calling for corporal punishment, increased mosque attendance and observance of fasting in the holy month of Ramadan. This piety is not limited to the poor. It is also practiced by many of the wealthy.

The revival has risen spontaneously in many diverse areas, from the Philippines and Malaysia to the Soviet Union and North Africa. The religious followers of Iran's Khomeini are mainly restricted to the Shiite world. However, the revolution he led was a rare example of success for Islamic forces, and as such, it was an inspiration for dissatisfied Muslims everywhere.

As the Islamic resurgence has spread, radicals have increasingly crowded out more-moderate spokesmen. Thomas L. Friedman, bureau chief of *The New York Times* in Beirut from 1982 to 1984, comments that "more and more, it seems that the political center in both the Arab world and Israel is being hijacked by extremists determined to go to any lengths to pursue their causes. . . . Although political moderates probably remain a majority in the Middle East, they are finding it increasingly difficult to defend their values. My overwhelming impression is that, throughout the area, the moderates are on the run."

Many governments are resisting fundamentalist demands. In Egypt, for example, Mubarak says that he does not consider Islamic fundamentalism a threat: "We are dealing with it in a very good way, and I have no fear." In the summer of 1985, his government started a crackdown on fundamentalists, charging an important cleric with sedition and forcing the cancellation of a march to demand the immediate imposition of Islamic law.

The Islamic resurgence, having passed through the stages of reform, modernism and accommodation with secularism, may now increasingly be used to justify terrorism. Terrorists willing to die for their cause have moved beyond rhetoric to express their beliefs in violent political actions such as assassination or hijacking. They are led by men who garb themselves in religion. Lebanese Shaykh Muhammad Fadlallah, spiritual head of the Hezbollah (Party of God, which seeks to establish Islamic rule in Lebanon and is believed to be behind the hijacking of TWA flight 847 in the summer of 1985), says, "I'm no politician, I'm a man of religion."



Muslim extremists on trial for attempting to overthrow the Egyptian government.

Future trends

Judging by the past, religion is likely to continue to play a prominent role in international affairs as the world is increasingly knit together in a "global village." In some countries, it will be the mobilizing force in what Westerners would term predominantly political struggles. It is also likely to continue to provide the most powerful source of political legitimacy—for governments and insurgents alike—in much of the world.

In many countries that do not permit free political expression, religion will continue to serve as a focus for opposition forces. Thus, the more intolerant Third World or Communist governments are of internal dissent, the more likely the opposition will focus around religious leaders and their networks, as in the shah's Iran or President Ferdinand E. Marcos's Philippines or General Wojciech Jaruzelski's Poland. And religious groups, if repressed, are more likely to become radicalized and resort to violence.

The U.S. perspective

SECRETARY OF STATE George P. Shultz has welcomed the resurgence of faith, especially in totalitarian societies. In remarks to the Conference on Religious Liberty on April 15, 1985, he said, "We must support, in whatever way we can, those around the world who seek only to worship God without fear of persecution, and who struggle against the state's efforts to control their thoughts and beliefs. Whether it is to be the rights of Jews in the Soviet Union to live as Jews, the rights of Bahais in Iran to live as Bahais, the rights of Buddhists in Vietnam to live as Buddhists, we must lend our support, moral and otherwise, to this most basic of human needs."

Conspicuous by its absence from Shultz's remarks was any mention of Muslims. For Americans, perhaps the most prominent and frightening example of religious revival is the Islamic resurgence. Yet this resurgence need not by definition threaten the West. The Islamic world is not monolithic. Islam as practiced and understood in Iran is different from the Islam of Morocco or Indonesia. As political scientist James A. Bill notes, "There is nothing inherently anti-American about Islam. It is the policies of governments that have converted Muslims into critics and opponents. When these policies have been perceived to be supportive of corruption, oppression, and colonial or imperial interventionism, there has been criticism [of the U.S.] and resistance. This applies to the policies of the Soviet Union and the Communist bloc as well. In fact, Islam has much more in common with the West than it has with Communist ideologies of the East."

Islamic opposition movements rarely seek U.S. support. Such support, in fact, would likely discredit them. A notable exception are the *mujahideen* or "freedom fighters" in Afghanistan, who receive U.S. aid to combat Soviet occupation troops. This aid has been welcomed by Muslim countries throughout the world. The Soviet Union, by contrast, is condemned by many Muslims for its intervention in Afghanistan as well as the perceived suppression of its own Muslim minority.

The U.S. has limited influence with most Islamic groups. It could possibly exert more influence but for a basic lack of comprehension—which was apparent in Iran and Lebanon. Islamic spokesmen assert they want a dialogue, but do not believe that the U.S. hears or respects them. Some moderate Muslims charge that the West, which tries hard to understand Communist ideology, expends no similar effort on Islam. Dr. Fathi Osman, editor in chief of *Arabia* magazine, which tries to present the views of Muslims to the West, remarks, "The U.S. may claim that it is not against political Islam as such but against extremism and violence, but is there any room in its policies for moderation and dialogue?" He charges that U.S. policies "aim. . .to eliminate Islam from the political field and to support dictators [like the Sudan's Gaafar al-Nimeiri] who may work for this goal. . . ." Nimeiri, president of the Sudan since 1969, was toppled in an April 1985 coup. He was one of Washington's closest friends, and shared an enmity for Libya's Colonel Muammar al-Qaddafi. Far from eliminating Islam, he had sought since 1983 to impose Islamic law throughout the country, including the non-Muslim south, against U.S. advice.

U.S. relations with the Islamic world would benefit from more-informed and more-sustained media reporting, many in the East and the West agree. This is particularly true of television coverage, much of which is necessarily brief and hence superficial. Although some reporters are thoroughly familiar with the Middle East and file excellent reports, the belated discovery of the Islamic revival by many others frequently lent itself to inaccurate reporting. Protesters, regardless of their cause, were loosely labeled "religious fanatics." Peter Jennings of ABC News has said that the networks made serious mistakes in their coverage of the 1985 TWA hostage crisis. Referring to the earlier Iran hostage crisis, he criticized television for "covering the explosion without reporting on the early-warning signs."

Muslims complain that Western reporters tend to dwell on what they perceive as exotic or sensational, for example the Islamic criminal code which calls for amputation and whipping, and fail to convey a fair or accurate image of Islam. The Islamic struggle against existing regimes, its supporters maintain, is inspired by a desire for social justice and human rights—goals Americans should applaud. To characterize Muslim groups as left-wing or right-wing, progressive or conservative, is to apply labels that are meaningless in the Middle East.

What, if anything, can the U.S. government do to improve relations with the Islamic world? Experts such as John L. Esposito of the College of the Holy Cross observe that Islamic revivalism will be with us for the foreseeable future. While "a radical, alienated minority will continue to engage in terror and subversion. . . ," he points out, "the vast majority of Islamic revivalists will pursue what they see as a more authentic Islamic future through the peaceful transformation of their society."

It is this peaceful majority who might be influenced by American goodwill and reciprocate it, Esposito and others argue. But first the U.S. would have to convince them that its loyalties do not automatically belong to authoritarian regimes. Some Muslims in Egypt are hostile to the U.S. because they believe it instigated the Mubarak government's attempts to suppress fundamentalist groups. The U.S. is admittedly uneasy at the growth of fundamentalism in Egypt. It regards Egypt as a key regional ally whose participation is essential to furthering the peace process with Israel. Therefore, given a choice between Mubarak and his fundamentalist Muslim opponents, most policymakers would favor Mubarak.

Is it necessary to make that choice, or is it possible to maintain a dialogue with both the leadership and the opposition? Can the U.S. develop contacts with Muslim or for that matter other opposition movements without offending host governments? In Iran, for two years preceding the outbreak of the revolution, the Central Intelligence Agency had no contact with religious leaders opposed to the shah. This proved to be a fatal mistake. To guard against a repetition of that error in the Philippines, the U.S. is making a point of keeping in touch with the opponents of Marcos. Some argue that the U.S. is too ready to support authoritarian governments, believing them preferable to leftist or religious opposition, instead of backing moderate if less well known leaders.

"Punishing" important political actors in the Middle East, such as leaders of the Palestinians or the Iranian or Libyan governments, by not speaking to them could also backfire, some observers warn. A crisis could occur if the U.S. needs their cooperation, notes Columbia University's Peter J. Awn. Dividing the world into "good guys" and "bad guys," he cautions, can prevent the U.S. government from making pragmatic assessments on which sound policy must be based.

Improved training for intelligence analysts, other critics argue, would strengthen U.S. policy. After the Beirut embassy bombing in September 1984, President Reagan called better intelligence the best prevention against another attack. Funding for intelligence activities has risen significantly under the Reagan Administration. Few would disagree with the need for better analysis: the problem is how to train better analysts, and how to infiltrate tightly knit religious groups.

Greater emphasis on language and cultural training for Foreign Service officers is critical, according to Hermann F. Eilts, professor at Boston University and former U.S. ambassador to Saudi Arabia and Egypt. "The present policy of assuming that any political or economic officer, regardless of where he has served or of his language abilities, can be sent anywhere is disastrous," Eilts told a congressional committee. "It contributes materially to Washington's general ignorance of Islamic matters and to superficial political analysis."

Eilts recommends better efforts by the United States Information Service to explain U.S. policies. In the Middle East, he notes, there is a common perception "that the U.S. has no interest in the Islamic states or peoples for their own sake, but is solely interested in using them in its superpower confrontation with the Soviet Union." The U.S. government counters that this is not so—it is working hard for a Mideast peace which would primarily benefit local peoples.

Outlook

Religions which have endured have not remained static. They have constantly changed to reflect peoples' changing expectations. Historically, periods of religious decline have alternated with periods of religious awakening. We are in such a period of revival now.

Religious faith exalts the dignity of the individual and sets values and goals. Because it reaches large numbers of people, it also has the power to mobilize them for political action. In many cases participation in a religious cause offers a satisfaction that local politics does not. Some religious leaders of every faith have used their influence to pursue extremist causes and have justified the use of violence on religious grounds. The majority in the religious mainstream—whether Christian, Muslim or Jew—condemn such violence and believe it is the opposite of what religion should stand for. For the U.S., understanding the historical role and context of religious expression is the key to making accurate assessments of religious movements and formulating appropriate responses.

8 OPINION BALLOT
on page 95 ►

FOR DISCUSSION

1. Why do you think a religious revival gained momentum in the 1970s? Is there something about the present era that makes it different from other periods in history?

2. Why is there a religious revival in some countries but not in others? Is the revival currently growing in strength or diminishing?

3. Is the growth of religious fundamentalism in the U.S. in any way related to fundamentalism in other parts of the world?

4. The Crusades were a series of bloody wars fought between 1096 and 1270 by Christians seeking to free the Holy Land from the Muslims. Muslims had previously spread their faith through jihad, or holy struggle. Are "holy wars" ever justified? If so, under what circumstances?

5. Are church and state separate in fact as well as in theory in the West? What is the relationship between the two in the U.S.? Has that relationship changed in recent years, in your opinion? In what ways?

6. Do you think that most religious leaders have a political agenda? Why do many religious leaders become political leaders?

7. The pope is opposed to liberation theology. How does the political activism of the pope differ from the political activism of liberation theologians?

8. Does the U.S. have a policy to deal with the Islamic resurgence? If not, what might be some of the elements of such a policy?

SUGGESTED READINGS

Aronoff, Myron J., ed., **Religion and Politics.** New Brunswick, N.J., Transaction Books, 1984. 139 pp. $24.95. Volume 3 of a series in **Political Anthropology** using many examples from the Middle East.

"Discord in the Church." **Time,** February 4, 1985, pp.50-63. Discusses the struggle over the future direction of the Church and challenges to papal authority, including liberation theology.

Esposito, John L., **Islam and Politics.** Syracuse, N.Y., Syracuse University Press, 1984. 273 pp. $12.95 (paper). A comprehensive introduction to the historical role of Islam in politics and its current revival.

Isaacs, Harold R., "Power and Identity: Tribalism and World Politics." **Headline Series** No. 246. New York, Foreign Policy Association, October 1979. 64 pp. $4.00. An original exploration of how political change after World War II adversely affected national identity.

Kelly, Marjorie, ed., **Islam: The Religious and Political Life of a World Community.** New York, Praeger for the Foreign Policy Association, 1984. 321 pp. $16.95 (paper). An excellent introduction for the general reader to the diversity of the Islamic world.

Merkl, Peter H., and Smart, Ninian, eds., **Religion and Politics in the Modern World.** New York, New York University Press, 1983. 276 pp. $11.50 (paper). A collection of articles examining the theoretical and historical relations between nationalism and religion in different countries.

Quade, Quentin L., ed., **The Pope and Revolution: John Paul II Confronts Liberation Theology.** Ethics and Public Policy Center, 1030 15th St. N.W., Washington, D.C. 20005, 1982. 195 pp. $7.00 (paper). A summary of liberation theology, followed by a sympathetic look at the pope's views.

"Religion and Politics." **Journal of International Affairs,** Fall/Winter 1982/83, pp. 187-370 (entire issue) $5.50. A collection of articles on the roles religion plays in international affairs.

Shultz, George P., "Relevance of Religion to World Issues." **Department of State Bulletin,** July 1985, pp. 43-44. Secretary of state calls the resurgence of religion a welcome development, and notes link between religious liberty and other freedoms.

Thompson, Kenneth W., ed., **Moral Dimensions of American Foreign Policy.** New Brunswick, N.J., Transaction Books for Council on Religion and International Affairs, 1984. 350 pp. $9.95 (paper). Part of the "Ethics in Foreign Policy" series, these articles address the role of religion and morality in foreign affairs.

For further in-depth reading, write for the GREAT DECISIONS *'86 Bibliography (see page 2).*

ILLUSTRATION CREDITS: pp. 75, 76, 77, 79, 80, 81 (bottom), 81 (top right) and 83, AP/Wide World Photos.

OPINION BALLOT '85 HIGHLIGHTS

Topic 1: **REVOLUTIONARY CUBA** **Ballots Tabulated: 3,431**

A. In its policy toward Cuba, the U.S. should:

1. Abandon the U.S. trade embargo and efforts to isolate Cuba in the hope of weaning it from the Soviet Union	36%
2. Negotiate a renewal of diplomatic relations, provided Castro is willing to cut his military ties to Moscow and cease efforts to "export revolution" to Latin America	34%
3. Keep up economic and diplomatic pressure on Cuba	20%
4. Other, no response	11%

B. The most important goal of U.S. policy toward Central America is to:

1. Prevent Communist expansion by any means necessary, including military force	14%
2. Prevent Communist expansion by any means necessary, except military force	14%
3. Promote democracy by withholding support from governments that violate political and human rights	23%
4. Promote economic and social development by increasing U.S. economic aid and trade	43%
5. Other, no response	6%

Topic 2: **SOVIET LEADERSHIP IN TRANSITION** **Ballots Tabulated: 4,860**

A. In its arms control policy toward the U.S.S.R., the U.S. should:

1. Offer significant concessions to the Soviet Union to persuade it to resume arms control negotiations	13%
2. Offer no concessions to the Soviet Union but indicate a readiness to resume arms control negotiations	74%
3. Resume arms control negotiations only if the Soviets offer significant concessions in advance	5%
4. Cease efforts to negotiate arms control with the Soviet Union	1%
5. Other, no response	7%

B. In its economic policy toward the Soviet Union, the U.S. should:

1. Apply economic sanctions in order to undermine the Soviet economy, including its defense industry	9%
2. Apply economic sanctions only in retaliation for severe Soviet provocation	41%
3. Abandon the use of economic sanctions	43%
4. Other, no response	7%

C. In its political relations with the Soviet Union, the U.S. should:

1. Seek to improve relations across the board at all diplomatic levels	79%
2. Link agreement with the Soviet Union in one area to Soviet concessions in other areas	13%
3. Negotiate only to advance specific U.S. interests	7%
4. Other, no response	2%

Topic 3: **IRAN-IRAQ WAR** **Ballots Tabulated: 4,545**

A. In its policy toward the Iran-Iraq war, the U.S. should:

1. Tilt toward Iran because it is the more important power strategically and demographically	2%
2. Tilt toward Iraq because an Iranian victory could help destabilize governments friendly to the U.S.	15%
3. Observe strict neutrality since the U.S. has little influence on either belligerent	75%
4. Other, no response	7%

B. To secure its interests in the Persian Gulf, the U.S. should:

1. Assume responsibility for the military defense of the Gulf	3%
2. Defend the Gulf militarily only in conjunction with U.S. allies	42%
3. Rely on diplomacy, not military force	49%
4. Other, no response	6%

Topic 4: **BUDGET DEFICIT, TRADE & THE DOLLAR** **Ballots Tabulated: 4,289**

A. How would you rate the following steps in terms of their effectiveness in reducing the Federal budget deficit?

	Very Effective	Somewhat Effective	Not Very Effective
1. Increase taxes	29%	49%	22%
2. Reduce Federal spending by cutting defense programs	64%	30%	6%
3. Reduce Federal spending by cutting social programs	19%	42%	39%
4. Do nothing; as economic recovery continues, deficit will shrink	4%	15%	81%

B. The trading policy that best meets U.S. needs for the 1980s is:

1. Free trade	32%
2. Fair trade	56%
3. Protectionism	4%
4. Industrial policy	8%

Topic 5: **The PHILIPPINES** **Ballots Tabulated: 3,919**

A. In its relations with the Philippines, the U.S. should:

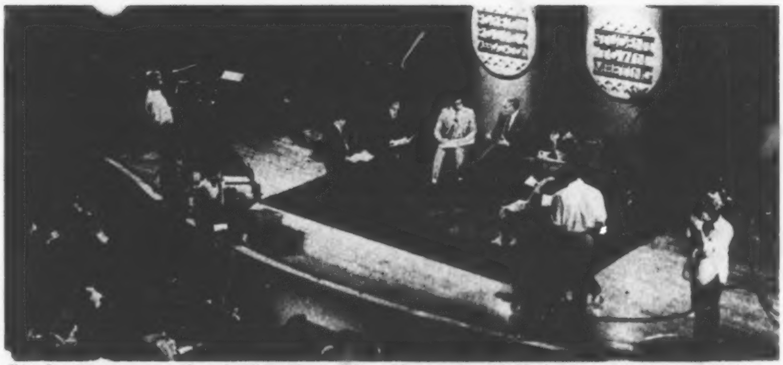
	Agree Strongly	Agree Somewhat	Disagree Somewhat	Disagree Strongly
1. Link U.S. military and economic aid for the Philippines to democratic reforms there	33%	43%	15%	9%
2. Maintain a "hands-off" policy toward both the government and the opposition	20%	31%	29%	20%
3. Use quiet diplomacy rather than public pressure to persuade Marcos to adopt democratic reforms	50%	32%	11%	7%

In 1985 GREAT DECISIONS participants made their opinions heard on Capitol Hill, in the White House, in the State and Defense Departments, at the CIA and in our embassies around the world. They expressed their views in different ways and with a variety of voices. Jonathan Roberts told Representative Lee H. Hamilton (D-Ind.) his views on the Iran-Iraq war. Jonathan is too young to vote—he's still in high school—but as winner of the "Think International" essay contest based on GREAT DECISIONS, he won a trip to Washington and a chance to make his opinion heard.

In September, GREAT DECISIONS coordinators from 24 states, the District of Columbia and Puerto Rico spent two and a half days in Washington in give-and-take with policymakers and opinion molders. At a briefing with Secretary of Defense Caspar W. Weinberger at the Pentagon, the coordinators' informed questions impressed even the hard-nosed Washington press corps. Said one member, "I wish I'd asked that question."

At a town meeting attended by 800 high school students and their teachers and aired over public television stations in December, viewers watched former Secretary of State Alexander M. Haig Jr. field tough questions from the student panelists and audience, including a diminutive eighth grader from Hoboken, N.J. The students had briefed themselves by reading GREAT DECISIONS.

The principal vehicle by which GREAT DECISIONS participants made their views on foreign policy known to policymakers in 1985 was their opinion ballots. *The National Opinion Ballot Report*, based on 70,000 ballots cast as of May 31, was presented to Representative Dante B. Fascell, chairman of the House Committee on Foreign Affairs; national security adviser Robert C. McFarlane; Secretary of Defense Weinberger; and Bernard Kalb on behalf of Secretary of State George P. Shultz. The report was also mailed to members of Congress and to the nation's news media. Copies are available to all interested citizens.



Student town meeting in New York City: Alexander M. Haig Jr. answers questions.

Rep. Thomas Downey (D-N.Y., middle) and Sen. Albert Gore Jr. (D-Tenn., far left) meet with coordinators.

Essay contest winner Jonathan Roberts talks with Rep. Lee H. Hamilton (D-Ind.).

FPA President Archie Albright (left) and Chairman Leonard H. Marks (right) present the opinion ballot report to Robert C. McFarlane.

4. Continue to support the Marcos government and disregard internal politics in the Philippines	3%	13%	26%	58%

Topic 6: POPULATION GROWTH — Ballots Tabulated: 3,808

A. The U.S. should:

	Agree Strongly	Agree Somewhat	Disagree Somewhat	Disagree Strongly
1. Encourage Third World countries to adopt compulsory measures to curb population growth	44%	30%	14%	11%
2. Encourage Third World countries to rely on free enterprise to spur development and reduce population growth	32%	36%	18%	15%
3. Provide family-planning aid to countries regardless of the specific family-planning measures	62%	22%	10%	6%
4. Provide family-planning aid only to Third World countries that prohibit abortion as a population-control method	8%	8%	15%	69%
5. Contribute to private international organizations that provide family-planning services, including abortion	59%	23%	8%	10%
6. Increase U.S. contributions to intergovernmental organizations that provide family-planning services	63%	25%	8%	5%

B. How would you rate the following in terms of their effectiveness in reducing population growth?

	Very Effective	Somewhat Effective	Not Very Effective
1. Raising standard of living of Third World countries	58%	34%	7%
2. Educating women and raising their status	82%	17%	2%
3. Lowering infant mortality	38%	38%	24%
4. Making family-planning services widely available	77%	20%	3%
5. Providing for a more equitable distribution of resources between North and South	33%	42%	26%

Totals may not add to 100% because of rounding.

Copies of the Opinion Ballot Report, available from FPA, are $1.00 each (prepaid).

Topic 7: FUTURE OF ATLANTIC ALLIANCE — Ballots Tabulated: 3,442

A. In its military relations with the European members of NATO, the U.S. should:

	Agree Strongly	Agree Somewhat	Disagree Somewhat	Disagree Strongly
1. Continue present policy of flexible response and strengthening of NATO's nuclear and conventional forces	38%	33%	16%	13%
2. Support adoption of a no-first-use of nuclear weapons policy only after strengthening NATO's conventional forces	20%	35%	24%	21%
3. Support immediate adoption of a no-first-use of nuclear weapons policy	38%	18%	17%	28%
4. Support a mutual verifiable freeze and negotiate to reduce present levels of nuclear weapons	71%	17%	7%	6%

B. In its political relations with the European members of NATO, the U.S. should:

	Agree Strongly	Agree Somewhat	Disagree Somewhat	Disagree Strongly
1. Withdraw its forces from Europe unless its European allies substantially increase their financial contribution to NATO's defense	10%	27%	36%	27%
2. Keep its forces in Europe but urge European members to increase substantially their financial contribution to NATO's defense	47%	37%	11%	5%
3. Seek expanded cooperation on issues which are not part of NATO's formal areas of responsibility, e.g., the Middle East	32%	38%	17%	12%
4. Accept the fact of alliance differences and continue to cooperate with its allies where interests coincide	66%	27%	5%	2%

Topic 8: U.S. INTELLIGENCE — Ballots Tabulated: 3,551

A. For the U.S.:

1. Covert action is a necessary instrument of national security policy at all times	26%
2. Covert action is a necessary instrument of national security policy but it should be used only in rare circumstances, for example as an alternative to military action	51%
3. Covert action is not essential to national security, and should never be used. If an action is called for, the government should make its case openly to Congress and the public	19%
4. Other, no response	4%

(detach along dotted lines)

Opinion Ballot

Topic 1: How Foreign Policy Is Made

Issue A. How would you rate the following actors in terms of their influence on foreign policymaking? **Please check one box for every foreign policy actor.**

	1 Too Much Influence	2 Right Amount of Influence	3 Too Little Influence
a. President	☐	☐	☐
b. Presidential advisers	☐	☐	☐
c. Congress	☐	☐	☐
d. State Department	☐	☐	☐
e. Defense Department	☐	☐	☐
f. Central Intelligence Agency	☐	☐	☐
g. Press and television	☐	☐	☐
h. Public	☐	☐	☐
i. Lobbyists	☐	☐	☐

j. Other (please describe) . . . .

. . . .

. . . .

Your zip code ____ ____ ____ (first 3 digits only)

(continued on reverse side)

Opinion Ballot

Topic 1: How Foreign Policy Is Made

Issue A. How would you rate the following actors in terms of their influence on foreign policymaking? **Please check one box for every foreign policy actor.**

	1 Too Much Influence	2 Right Amount of Influence	3 Too Little Influence
a. President	☐	☐	☐
b. Presidential advisers	☐	☐	☐
c. Congress	☐	☐	☐
d. State Department	☐	☐	☐
e. Defense Department	☐	☐	☐
f. Central Intelligence Agency	☐	☐	☐
g. Press and television	☐	☐	☐
h. Public	☐	☐	☐
i. Lobbyists	☐	☐	☐

j. Other (please describe) . . . .

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Your zip code ____ ____ ____ (first 3 digits only)

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(detach along dotted lines)

Opinion Ballot

Topic 2: 'Star Wars' and the Geneva Talks

For the issue below, please indicate your reaction by checking one column for every policy option listed.

Issue A. With regard to the Strategic Defense Initiative, the U.S. should:

	1 Agree Strongly	2 Agree Somewhat	3 Disagree Somewhat	4 Disagree Strongly
a. Agree to scale down the SDI program because it will provoke a new arms race and is harmful to U.S. security.	☐	☐	☐	☐
b. Agree to limit development of SDI in return for significant Soviet reductions in offensive weapons.	☐	☐	☐	☐
c. Treat SDI as nonnegotiable and proceed with development, even if it means forgoing an arms control agreement.	☐	☐	☐	☐

Comment . . . .

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Your zip code ____ ____ ____ (first 3 digits only)

(continued on reverse side)

Opinion Ballot

Topic 2: 'Star Wars' and the Geneva Talks

For the issue below, please indicate your reaction by checking one column for every policy option listed.

Issue A. With regard to the Strategic Defense Initiative, the U.S. should:

	1 Agree Strongly	2 Agree Somewhat	3 Disagree Somewhat	4 Disagree Strongly
a. Agree to scale down the SDI program because it will provoke a new arms race and is harmful to U.S. security.	☐	☐	☐	☐
b. Agree to limit development of SDI in return for significant Soviet reductions in offensive weapons.	☐	☐	☐	☐
c. Treat SDI as nonnegotiable and proceed with development, even if it means forgoing an arms control agreement.	☐	☐	☐	☐

Comment . . . .

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Your zip code ____ ____ ____ (first 3 digits only)

(continued on reverse side)

For the issue below, please check the box to the left of the statement that comes *closest* to expressing your opinion. Check one box only.

Issue B. The most important goal of U.S. policy toward Central America is to:

☐ **1.** Prevent Communist expansion by any means necessary, including military force.

☐ **2.** Prevent Communist expansion by any means necessary, except military force.

☐ **3.** Promote democracy by withholding support from governments that violate political and human rights.

☐ **4.** Promote economic and social development by increasing U.S. economic aid and trade.

☐ **5.** Other (please describe) . . . .

. . . .

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MAIL YOUR BALLOT
MAKE YOUR OPINION COUNT!
See instructions on page 4

In planning future GREAT DECISIONS programs, we would find it helpful to know more about participants and would appreciate your answers to the questions below.

A. *How many years have you participated in the GREAT DECISIONS program (that is, attended one or more discussion sessions)?*
- ☐ **1.** *This is the first year I have participated.*
- ☐ **2.** *I participated in one previous year.*
- ☐ **3.** *I participated in more than one previous year.*

B. *What is your age?*
- ☐ **1.** *17 or under*
- ☐ **2.** *18 to 30*
- ☐ **3.** *31 to 45*
- ☐ **4.** *46 to 60*
- ☐ **5.** *61 or over*

C. *Your sex?*
- ☐ **1.** *Female*
- ☐ **2.** *Male*

D. *What is the highest level of formal education you have completed?*
- ☐ **1.** *Some high school*
- ☐ **2.** *High school graduate*
- ☐ **3.** *Some college*
- ☐ **4.** *College graduate*
- ☐ **5.** *Advanced degree*

E. *Are you currently a student?*
- ☐ **1.** *Enrolled in high school*
- ☐ **2.** *Enrolled in college*
- ☐ **3.** *Enrolled in graduate school*
- ☐ **4.** *Enrolled in adult education course(s)*

F. *How often are you asked for your opinion on foreign policy matters?*
- ☐ **1.** *Often*
- ☐ **2.** *Sometimes*
- ☐ **3.** *Hardly ever*

G. *One final question. Would you say you have or have not changed your opinion in a fairly significant way as a result of taking part in the GREAT DECISIONS program?*
- ☐ **1.** *Have*
- ☐ **2.** *Have not*
- ☐ **3.** *Uncertain*

MAIL YOUR BALLOT
MAKE YOUR OPINION COUNT!
See instructions on page 4

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☐ **5.** Other (please describe) . . . .

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- ☐ **5.** *61 or over*

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- ☐ **1.** *Female*
- ☐ **2.** *Male*

D. *What is the highest level of formal education you have completed?*
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- ☐ **2.** *High school graduate*
- ☐ **3.** *Some college*
- ☐ **4.** *College graduate*
- ☐ **5.** *Advanced degree*

E. *Are you currently a student?*
- ☐ **1.** *Enrolled in high school*
- ☐ **2.** *Enrolled in college*
- ☐ **3.** *Enrolled in graduate school*
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- ☐ **3.** *Hardly ever*

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- ☐ **2.** *Have not*
- ☐ **3.** *Uncertain*

MAIL YOUR BALLOT
MAKE YOUR OPINION COUNT!
See instructions on page 4

(detach along dotted lines)

Opinion Ballot

Topic 3: Democracy in Latin America

For the issue below, please indicate your reaction by checking one column for every policy option listed.

Issue A. In its policy toward the Latin American debt crisis, the U.S. should:

	1 Agree Strongly	2 Agree Somewhat	3 Disagree Somewhat	4 Disagree Strongly
a. Let Latin American countries work out their own solutions with the IMF and banks.	☐	☐	☐	☐
b. Press the IMF and banks to work out lenient terms with Latin American debtors.	☐	☐	☐	☐
c. Offer assistance to Latin American countries that undertake austerity programs.	☐	☐	☐	☐
d. Lessen emphasis on austerity and make new loans designed to promote growth.	☐	☐	☐	☐

Your zip code ____ ____ ____
(first 3 digits only)

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Opinion Ballot

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b. Press the IMF and banks to work out lenient terms with Latin American debtors.	☐	☐	☐	☐
c. Offer assistance to Latin American countries that undertake austerity programs.	☐	☐	☐	☐
d. Lessen emphasis on austerity and make new loans designed to promote growth.	☐	☐	☐	☐

Your zip code ____ ____ ____
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Opinion Ballot

Topic 4: International Terrorism

Issue A. How would you rate the following steps in terms of their effectiveness in fighting international terrorism? **Please check the statement that comes *closest* to expressing your opinion. Check one box for every line.**

	1 Very Effective	2 Somewhat Effective	3 Not Very Effective
a. Tighten airport security.	☐	☐	☐
b. Station U.S. sky marshals on flights.	☐	☐	☐
c. Boycott unsafe airports.	☐	☐	☐
d. Tighten security at embassies.	☐	☐	☐
e. Improve intelligence capabilities.	☐	☐	☐
f. Pressure countries that sponsor terrorism.	☐	☐	☐
g. Attack terrorist bases before they can be used to launch attacks.	☐	☐	☐
h. Improve international cooperation to catch and prosecute terrorists.	☐	☐	☐

Your zip code ____ ____ ____
(first 3 digits only)

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Opinion Ballot

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Issue A. How would you rate the following steps in terms of their effectiveness in fighting international terrorism? **Please check the statement that comes *closest* to expressing your opinion. Check one box for every line.**

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e. Improve intelligence capabilities.	☐	☐	☐
f. Pressure countries that sponsor terrorism.	☐	☐	☐
g. Attack terrorist bases before they can be used to launch attacks.	☐	☐	☐
h. Improve international cooperation to catch and prosecute terrorists.	☐	☐	☐

Your zip code ____ ____ ____
(first 3 digits only)

(continued on reverse side)

e. Reduce tariffs and eliminate quotas on imports from Latin America to help debtors earn foreign exchange to repay debts.	☐	☐	☐	☐
f. Initiate a new Alliance for Progress with Latin America.	☐	☐	☐	☐

Issue B. In its relations with Latin American countries, the U.S. should:

	1 Agree Strongly	2 Agree Somewhat	3 Disagree Somewhat	4 Disagree Strongly
a. Give priority to improving relations with democratic governments.	☐	☐	☐	☐
b. Give priority to assisting countries where U.S. interests are threatened.	☐	☐	☐	☐
c. Give priority to improving relations with governments that support U.S. policies, regardless of whether they are democratic or authoritarian.	☐	☐	☐	☐
d. Follow a policy of benign neglect toward those countries in which the U.S. has no major interests.	☐	☐	☐	☐

Comment . . . .

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MAIL YOUR BALLOT
MAKE YOUR OPINION COUNT!
See Instructions on page 4

e. Reduce tariffs and eliminate quotas on imports from Latin America to help debtors earn foreign exchange to repay debts.	☐	☐	☐	☐
f. Initiate a new Alliance for Progress with Latin America.	☐	☐	☐	☐

Issue B. In its relations with Latin American countries, the U.S. should:

	1 Agree Strongly	2 Agree Somewhat	3 Disagree Somewhat	4 Disagree Strongly
a. Give priority to improving relations with democratic governments.	☐	☐	☐	☐
b. Give priority to assisting countries where U.S. interests are threatened.	☐	☐	☐	☐
c. Give priority to improving relations with governments that support U.S. policies, regardless of whether they are democratic or authoritarian.	☐	☐	☐	☐
d. Follow a policy of benign neglect toward those countries in which the U.S. has no major interests.	☐	☐	☐	☐

Comment . . . .

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MAIL YOUR BALLOT
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See Instructions on page 4

i. Give priority to eliminating the causes of terrorism.	☐	☐	☐
j. Negotiate for the release of hostages.	☐	☐	☐
k. Retaliate against terrorist groups that attack U.S. citizens or property.	☐	☐	☐
l. Limit media coverage of terrorist actions.	☐	☐	☐

MAIL YOUR BALLOT
MAKE YOUR OPINION COUNT!
See Instructions on page 4

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j. Negotiate for the release of hostages.	☐	☐	☐
k. Retaliate against terrorist groups that attack U.S. citizens or property.	☐	☐	☐
l. Limit media coverage of terrorist actions.	☐	☐	☐

MAIL YOUR BALLOT
MAKE YOUR OPINION COUNT!
See Instructions on page 4

(detach along dotted lines)

Opinion Ballot

Topic 5: European Community and the U.S.

Issue A. How would you rate the following steps in terms of their effectiveness in improving U.S. competitiveness in world trade?

	1 Very Effective	2 Somewhat Effective	3 Not Very Effective
a. Reduce value of the dollar.	☐	☐	☐
b. Raise tariffs to protect U.S. industries.	☐	☐	☐
c. Subsidize U.S. exports.	☐	☐	☐
d. Improve productivity of industry.	☐	☐	☐
e. Let market forces take their course.	☐	☐	☐
f. Encourage a new round of international trade negotiations.	☐	☐	☐

Issue B. Should the U.S. encourage further economic and political integration of the European Community? **Check one box only.**

☐ Yes
☐ No

Your zip code ___ ___ ___ (first 3 digits only)

(continued on reverse side)

Opinion Ballot

Topic 5: European Community and the U.S.

Issue A. How would you rate the following steps in terms of their effectiveness in improving U.S. competitiveness in world trade?

	1 Very Effective	2 Somewhat Effective	3 Not Very Effective
a. Reduce value of the dollar.	☐	☐	☐
b. Raise tariffs to protect U.S. industries.	☐	☐	☐
c. Subsidize U.S. exports.	☐	☐	☐
d. Improve productivity of industry.	☐	☐	☐
e. Let market forces take their course.	☐	☐	☐
f. Encourage a new round of international trade negotiations.	☐	☐	☐

Issue B. Should the U.S. encourage further economic and political integration of the European Community? **Check one box only.**

☐ Yes
☐ No

Your zip code ___ ___ ___ (first 3 digits only)

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(detach along dotted lines)

Opinion Ballot

Topic 6: Third World Development

For the issue below, please indicate your reaction by checking one column for every policy option listed.

Issue A. In its relations with the Third World, the U.S. should:

	1 Agree Strongly	2 Agree Somewhat	3 Disagree Somewhat	4 Disagree Strongly
a. Increase development assistance.	☐	☐	☐	☐
b. Increase military assistance.	☐	☐	☐	☐
c. Maintain present level of foreign aid, but spend more on development, less on military aid.	☐	☐	☐	☐
d. Maintain present level of foreign aid, but spend more on military aid, less on development.	☐	☐	☐	☐
e. Maintain present level and distribution of foreign aid.	☐	☐	☐	☐

Your zip code ___ ___ ___ (first 3 digits only)

(continued on reverse side)

Opinion Ballot

Topic 6: Third World Development

For the issue below, please indicate your reaction by checking one column for every policy option listed.

Issue A. In its relations with the Third World, the U.S. should:

	1 Agree Strongly	2 Agree Somewhat	3 Disagree Somewhat	4 Disagree Strongly
a. Increase development assistance.	☐	☐	☐	☐
b. Increase military assistance.	☐	☐	☐	☐
c. Maintain present level of foreign aid, but spend more on development, less on military aid.	☐	☐	☐	☐
d. Maintain present level of foreign aid, but spend more on military aid, less on development.	☐	☐	☐	☐
e. Maintain present level and distribution of foreign aid.	☐	☐	☐	☐

Your zip code ___ ___ ___ (first 3 digits only)

(continued on reverse side)

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f. Channel more aid through multilateral organizations.	☐	☐	☐	☐
g. Channel more aid through bilateral programs.	☐	☐	☐	☐
h. Leave foreign aid to private voluntary organizations.	☐	☐	☐	☐

MAIL YOUR BALLOT
MAKE YOUR OPINION COUNT!
See instructions on page 4

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Comment ....

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MAIL YOUR BALLOT
MAKE YOUR OPINION COUNT!
See instructions on page 4

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g. Channel more aid through bilateral programs.	☐	☐	☐	☐
h. Leave foreign aid to private voluntary organizations.	☐	☐	☐	☐

MAIL YOUR BALLOT
MAKE YOUR OPINION COUNT!
See instructions on page 4

(detach along dotted lines)

Opinion Ballot

Topic 7: Israel and the U.S.

For the issues below, please indicate your reaction by checking one column for every policy option listed.

Issue A. In its economic and military policy toward Israel, the U.S. should:

	1 Agree Strongly	2 Agree Somewhat	3 Disagree Somewhat	4 Disagree Strongly
a. Increase aid to Israel in order to help it through its economic crisis.	☐	☐	☐	☐
b. Continue present level of aid.	☐	☐	☐	☐
c. Cut back aid because high aid levels increase Israel's dependence on the U.S.	☐	☐	☐	☐
d. Attach additional conditions to U.S. aid to assure its use for defensive purposes.	☐	☐	☐	☐

Comment . . . .

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Your zip code ____ ____ ____
(first 3 digits only)

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Opinion Ballot

Topic 7: Israel and the U.S.

For the issues below, please indicate your reaction by checking one column for every policy option listed.

Issue A. In its economic and military policy toward Israel, the U.S. should:

	1 Agree Strongly	2 Agree Somewhat	3 Disagree Somewhat	4 Disagree Strongly
a. Increase aid to Israel in order to help it through its economic crisis.	☐	☐	☐	☐
b. Continue present level of aid.	☐	☐	☐	☐
c. Cut back aid because high aid levels increase Israel's dependence on the U.S.	☐	☐	☐	☐
d. Attach additional conditions to U.S. aid to assure its use for defensive purposes.	☐	☐	☐	☐

Comment . . . .

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Your zip code ____ ____ ____
(first 3 digits only)

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Opinion Ballot

Topic 8: Religion in International Politics

For the issue below, please indicate your reaction by checking one column for every policy option listed.

Issue A. The U.S. should:

	1 Agree Strongly	2 Agree Somewhat	3 Disagree Somewhat	4 Disagree Strongly
a. Welcome religious resurgence wherever it occurs, regardless of the group or movement's politics.	☐	☐	☐	☐
b. Welcome religious resurgence in totalitarian countries which suppress religion.	☐	☐	☐	☐
c. Maintain a policy of strict neutrality toward religious resurgence.	☐	☐	☐	☐
d. Assist other governments in suppressing extremist religious groups of the right or left.	☐	☐	☐	☐

Your zip code ____ ____ ____
(first 3 digits only)

(continued on reverse side)

Opinion Ballot

Topic 8: Religion in International Politics

For the issue below, please indicate your reaction by checking one column for every policy option listed.

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b. Welcome religious resurgence in totalitarian countries which suppress religion.	☐	☐	☐	☐
c. Maintain a policy of strict neutrality toward religious resurgence.	☐	☐	☐	☐
d. Assist other governments in suppressing extremist religious groups of the right or left.	☐	☐	☐	☐

Your zip code ____ ____ ____
(first 3 digits only)

(continued on reverse side)

Issue B. In its diplomatic initiatives in the Middle East, the U.S. should:

	1 Agree Strongly	2 Agree Somewhat	3 Disagree Somewhat	4 Disagree Strongly
a. Remain actively involved as a mediator in the peace-seeking process and pressure both Arabs and Israelis to make concessions.	☐	☐	☐	☐
b. Drop insistence on West Bank autonomy.	☐	☐	☐	☐
c. Refrain from attempts to mediate the Arab-Israeli conflict since neither side is prepared to make compromises necessary for reaching an agreement.	☐	☐	☐	☐

Comment . . . .

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MAIL YOUR BALLOT
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c. Refrain from attempts to mediate the Arab-Israeli conflict since neither side is prepared to make compromises necessary for reaching an agreement.	☐	☐	☐	☐

Comment . . . .

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MAIL YOUR BALLOT
MAKE YOUR OPINION COUNT!
See Instructions on page 4

Issue B. Which of the following policies do you think would be most effective in dealing with religious resurgence? **Rank the following from "1" (most effective) to "8" (least effective).**

____ **a.** Strengthen U.S. information programs in countries where religious groups promoting anti-U.S. viewpoints are prominent.

____ **b.** Expand and improve intelligence efforts so the U.S. has early warning of hostile religious movements.

____ **c.** Increase contacts with religious moderates who favor some U.S. policies and might be able to weaken extremists' support.

____ **d.** Support friendly heads of state when they judge it necessary to suppress religious groups or movements.

____ **e.** Improve media reporting on religious leaders and their agendas.

____ **f.** Emphasize language and cultural training for diplomats.

____ **g.** Emphasize the training of regionalists rather than globalists for the diplomatic service.

____ **h.** Add to the State Department a group specifically charged with monitoring transnational religious movements.

MAIL YOUR BALLOT
MAKE YOUR OPINION COUNT!
See Instructions on page 4

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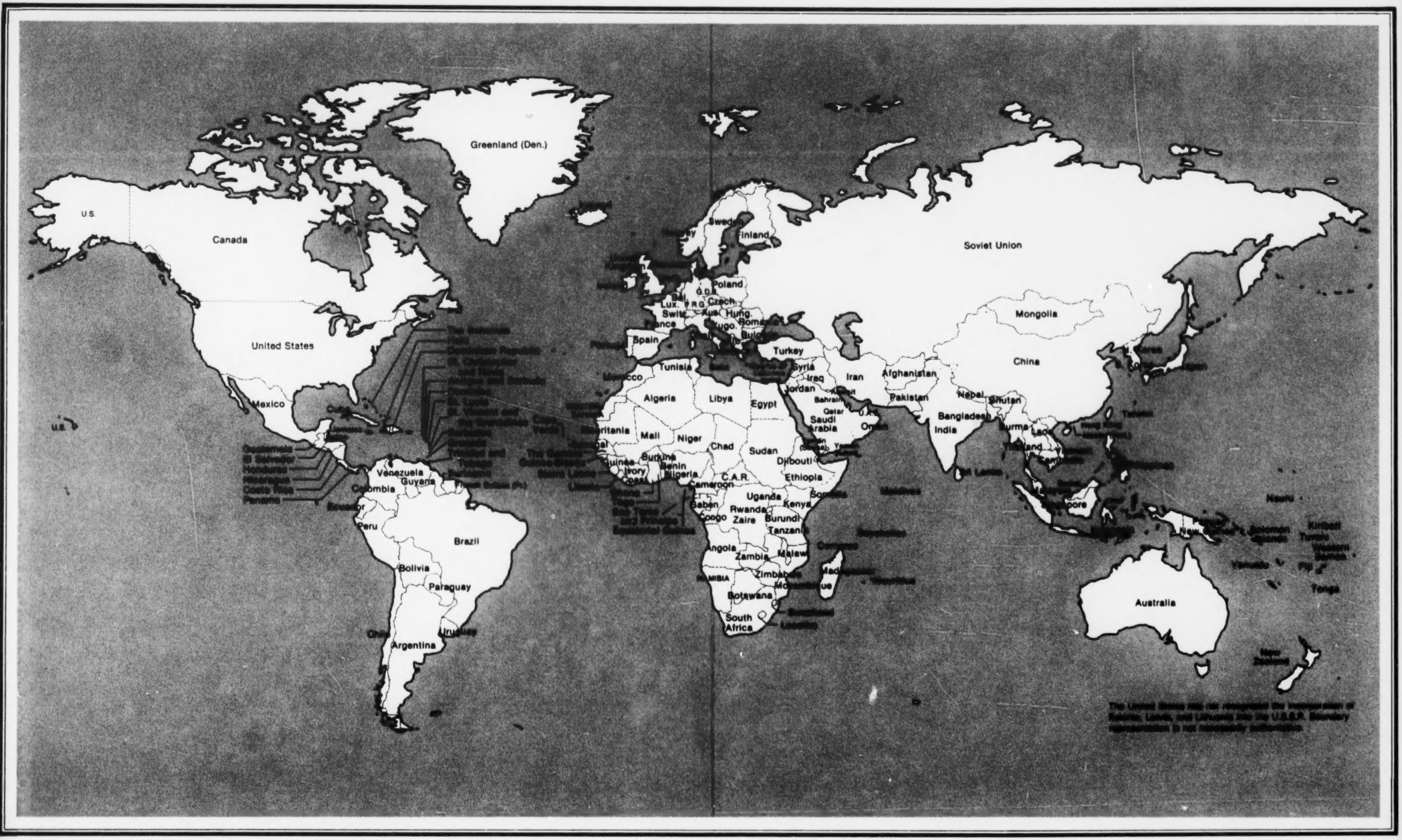
Greenland (Den.)
U.S.
Canada
Sweden
Finland
Soviet Union
Poland
G.D.R.
Bel.
Lux.
F.R.G.
Czech.
Switz.
Aus.
Hung.
France
Yugo.
Romania
Bulg.
Spain
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United States
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Pakistan
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Mexico
Saudi Arabia
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India
U.S.
Mauritania
Mali
Niger
Chad
Sudan
Oman
Burma
Laos
Thailand
Guatemala
El Salvador
Honduras
Nicaragua
Costa Rica
Panama
Venezuela
Guyana
Colombia
Ecuador
Guinea
Burkina
Benin
Ivory Coast
Nigeria
Djibouti
Ethiopia
C.A.R.
Cameroon
Uganda
Kenya
Somalia
Gabon
Congo
Rwanda
Burundi
Zaire
Tanzania
Peru
Brazil
Angola
Zambia
Malawi
Bolivia
Namibia
Zimbabwe
Mozambique
Madagascar
Paraguay
Botswana
Australia
South Africa
Lesotho
Chile
Argentina
Uruguay
Solomon Islands
Kiribati
Tuvalu
Western Samoa
Fiji
Tonga
Vanuatu
New Zealand
The United States has not recognized the incorporation of Estonia, Latvia, and Lithuania into the U.S.S.R. Boundary representation is not necessarily authoritative.

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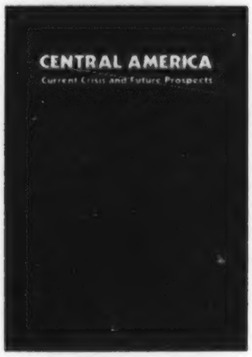
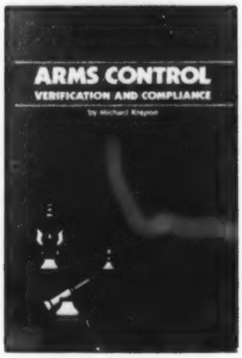

CENTRAL AMERICA
Current Crisis and Future Prospects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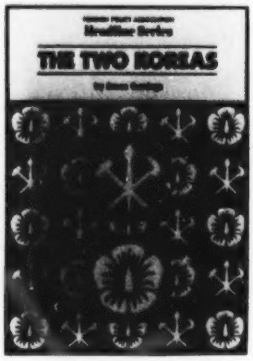
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